

Employee's Participative Behavior in Managerial Decision Making and Its Impact on Organizational Outcomes

Rizwan Qaiser Danish¹, Yasin Munir²

Communication level among employees and management, employee's priorities, training consistency, flexible working environment, managerial attitude and fair motivational techniques are considered focal points in participative management as well as in participative behavior of employees in organizations. This paper attempts to present leader's personality traits, employee's participative behavior in managerial decision making and its impact on organizational outcomes. Hundred organizations were targeted to analyze significant association of participative management and organizational outcomes among 5 different progressive sectors of Pakistan. Five points Likert scale was used to collect responses and result were found highly significant. This study provides foundation and guideline for top-level management to utilize employee's participative role in decision making and its further implication on organizational outcomes. Limitations and future directions also discussed in this paper.

Keywords: participative behavior, managerial decision making, leadership, organizational outcomes

In today's challenging working environment managers are confronted to stimulate employees to drive new ways for organizational effectiveness and job satisfaction employee's participation. Majority of the researchers agree that participative management is a favorable approach due to its significant benefits in today's business world. Different organizations have their different strategies, programs and mechanisms for successful practice of participative management in traditional organizational structure. Most popular techniques, include "democratic management, information sharing forums, joint labor-management training programs, total quality management teams, team based work structures with a variety of responsibilities, gain-sharing and profit-sharing plans, job enrichment or redesign initiatives, union-management quality of work life committees, self-managing work teams, site-based management, knowledge management programs, business process reengineering" (P.Crane, 2009). This paper attempts to present employee's participative behavior in managerial decision making and its impact on organizational outcomes.

Literature Review

Participative management is considered as a significant factor for the effectiveness of the organization and their employees. Employees feel dignity, status and honor to take a part in decision making of the management. Participative management provide sense of achieving goals, increase their morale and enhance information about organizational policies (Jena & Rautaray, 2010).Autonomy in work, team building and team work emphases by participative management in public sectors (Branch, 2002).Complexity of business environment and frequently decision making depends on cultural orientation and role of managers to encourage employee's participative behavior and to move them with the current pace of world for agility and flexibility of organizational culture (Singh, 2009).

Towers and Chen (2008) found that intuitions, experience, thinking and actions, imaginations and employee's contributions for better understanding of participative paradigms are the focal influential factors in participative management and for employee's

¹ University of the Punjab, Gujranwala Campus, Pakistan – e-mail: rdanish2000@yahoo.co.uk

² National University of Modern Languages, Pakistan

participative behavior in managerial decision making. Mosadegh Rad and Yarmohammadian (2006) analyzed that employee's dissatisfaction and lack of commitment with the organization is due to working conditions, employee's benefit plans, and their reward system. Now the management focusing on different ways to build employee's loyalty, work commitment and job satisfaction through their active participation in managerial decision making while adjusting reward system and fringe benefits to keep them motivated and committed with the organization. Bititci, Mendibil, Nudurupati, Garengo and Turner (2006) argued that employees performance measurement cycle depends on organizational cultural and its dependency on management style and different approaches in decision making. Participative management style and consultative management style requires more successful implementation of employee's performance measurement system. Participative management style and consultative management style leads the organization towards success, organizational learning and organizational change. Trevizan and Mendes (1995) found that the major aspect of employee's participative behavior is the transparent and clear attention on client's satisfaction and gratifying the basic needs of the clients. To achieve this objective basic participative management principles are used to care of the clients through decentralizing of information and mutual support of staff and colleagues in creativity and innovation for caring of clients as team work. Crane, Dillard and Hamilton (2003) it is difficult to predict pros and cons of participative management approaches and its impact on organizational outcomes. Employee's dissatisfaction with pay plan system, and participative approaches illustrates historical and cultural context of employees and their impact on positive and negative consequences of employee's participative management approaches and collaborative team work.

Eaton and Rubinstein (2006) analyzed that direct worker's participation is encouraged while union's participation in decision making is strongly discouraged by the management of the organization. Honold (1997) stated that participative management deals with leader's participation, individual's participation and peer's participation in decision making for the organizational effectiveness can be structured. Leach-Lo'pez, Stammerjohan and Lee (2009) concluded that the association of employees and budget participation is strongly correlated while connecting mechanisms of performance and employees participative behavior are different from each other and finally their participative role in managerial decision making are analyzed and found moderate. From above detailed literature following hypothesis is developed.

H1: Employee's Participative Behavior in Managerial Decision Making and its Impact on Job Satisfaction

H2: Employee's Participative Behavior in Managerial Decision Making and its Impact on Job Involvement

H3: Employee's Participative Behavior in Managerial Decision Making and its Impact on Organizational Commitment

H4: Employee's Participative Behavior in Managerial Decision Making and its Impact on Organizational Outcomes.

Methodology

To analyze and conclude employee's participative behavior in managerial decision making a questionnaire was adopted. 277 questionnaires were distributed out of 200 complete questionnaire were received to analyze the data. These questionnaires were distributed among private and public organizations of Gujranwala, Daska and Sialkot region of Pakistan. A non-probability convenient random sampling technique was used to address the responses at the

rate of 72%. Questionnaire was further classified into two major sections, 1st one was Demographic section and other was subjective section.

Demographic Section

Demographic section of this questionnaire present information about the employee's Gender, Age, Marital status, Sector, Industrial composition sector, Establishment size, job tenure in organization and position at which they are working. Total respondent were 200 out of that 127 were male and female respondents were 73 in numbers while the age of majority of employees were in the range of 30-39 years and their frequency was 53. In marital status of the employees 127 were married rest of the employees were single. Majority employees were from private sector. Majority employees belong to education industry which is 57 in number and having cumulative percentage 84.7, while the establishment size of the majority of employees were between in the range of 100-199. Job tenure in organization of the majority of employees was in the range of 3-5 years and position at which employees were working, the majority of employees were at managerial / supervisory position.

Analyses and Discussions

To determine the impact of employee's participative behavior in managerial decision making on job satisfaction job involvement and organizational outcomes linear regression with stepwise model selection test, descriptive statistics and Pearson moment correlation is applied while Cronbach's alpha is also mention regarding each question and results are shown in table 1, 2 and 3.

Table 1

Model Summary

Model	R	R Square	Adjusted R Square	SE.	Durbin-Watson
1	.885a	.783	.781	.70197	
2	.960b	.923	.921	.42203	
3	.988c	.949	.945	.21320	.120

The value of Durbin – Watson shows normality of data while in model #1 “R” is equal to.89 near to 1that shows high correlation between employee's participative behavior in managerial decision making and its strong impact on organizational outcome while “R Square” represents 78.3% is the total variation in organizational outcome explained by its linear relationship with employee's participative behavior in managerial decision making.

In model #2 “R” is equal to.96 near to 1that shows high correlation between employee's participative behavior in managerial decision making and its strong impact on organizational outcome while “R Square” represents 92.3% is the total variation in organizational outcome explained by its linear relationship with employee's participative behavior in managerial decision making.

In model #3 “R” is equal to .988 that shows extremely positive high correlation between employee's participative behavior in managerial decision making and its strong impact on organizational outcome while “R Square” represents 98.8% is the total variation in organizational outcome explained by its linear relationship with employee's participative

behavior in managerial decision making. Linear regression stepwise model fit analysis was conducted to scrutinize the most significant variables of employee's participative behavior in managerial decision making and its impact on organizational outcomes. Three models were scrutinized by the linear regression stepwise model as shown in table 2.

Table 2

Coefficients Summary

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.017	.274		18.327	.000
	Job Satisfaction	1.405	.078	.885	17.929	.000
2	(Constant)	2.330	.270		8.642	.000
	Job Satisfaction	1.052	.055	.663	19.184	.000
	Job Involvement	1.199	.095	.434	12.579	.000
3	(Constant)	3.334E-15	.000		.000	1.000
	Job Satisfaction	1.000	.000	.630	3.220E8	.000
	Job Involvement	1.000	.000	.362	1.817E8	.000
	Organizational Commitment	1.000	.000	.294	1.664E8	.000

a. Dependent Variable: Organizational Outcome

Model # 1

Organizational Outcome = 1.405 + .885(Job Satisfaction)

1.0 unit change in job satisfaction will bring .89 unit changes in organizational outcomes due to employee's participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes

Model # 2

Organizational Outcome = 1.052 + .663 (Job Satisfaction)

1.0 unit change in job satisfaction will bring .663 unit changes in organizational outcomes due to employee's participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes

Organizational Outcome = 1.199 + .434 (Job Involvement)

1.0 unit change in job involvement will bring .43unit changes in organizational outcomes due to employee's participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes

Model # 3

Organizational Outcome = 1.0 + .630 (Job Satisfaction)

1.0 unit change in job satisfaction will bring .63 unit increases in organizational outcomes due to employee's participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes

Organizational Outcome = 1.0 + .362 (Job Involvement)

1.0 unit change in job involvement will bring .36 unit increases in organizational outcomes due to employee's participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes

Organizational Outcome = 1.052 + .663 (Organizational Commitment)

1.052 unit changes in organizational commitment will bring .66 unit increases in organizational outcomes due to employee’s participative behavior in managerial decision making at highly significant impact value .000 on organizational outcomes.

To test the hypotheses and to determine the association of each variable, Pearson’s Correlation Coefficient and descriptive statistics was determined and analyzed to compute mean and standard deviation of the variables. 5 point Likert scale was used to get the responses while Cronbach’s alpha was also computed to test the reliability of each variable as shown in table 3. Ten variables fair motivational techniques, managerial attitude, organizational commitment, job satisfaction, job involvement, communication levels, flexible work environment, training consistency, employee priorities, organizational outcomes and overall employees participative behavior in managerial decision making were considered to observe employee’s participative behavior in managerial decision making. In table 3 each variable shows mean value of the given responses that represents overall population tendency and each variable represents standard deviation which represents total variation of each respondent against each question and Cronbach’s alpha was also determine against each variable for the reliability of analysis. The Pearson’s Correlation Coefficient “r” expresses the relationship between variables which are shown in table 3. Each variable describe strong positive significant correlation excluding yellow shaded variables in table 3 while pink shaded results depicts negative strong correlation among each variables.

Table 3

Pearson’s Moment Correlation among Variables “r” -1 to +1

Description of Variables	Mean	SD	Alpha	1	2	3	4	5	6	7	8	9	10
Fair Motivational Techniques	3.3253	.693	88.2										
Managerial Attitude	3.3121	.463	78.88	.129									
Organizational Commitment	3.1472	.440	92.33	-.060	.263*								
Job Satisfaction	3.3654	.944	93.11	-.311**	.332**	.237*							
Job Involvement	3.2308	.543	87.54	-.014	.325**	.303**	.512**						
Communication Levels	2.5797	.927	77.34	-.265*	.253*	.342**	.635**	.544**					
Flexible Work Environment	3.4725	.602	74.10	-.048	.312**	.221*	.042	.040	.155				
Training Consistency	3.2500	.730	69.88	-.237*	.168	.050	.445**	.431**	.529**	.092			
Employee Priorities	3.8819	.577	86.12	-.165	-.012	.233*	.203	.107	.281**	.252*	.270**		
Organizational Outcome	3.8214	.071	83.15	-.218*	.404**	.552**	.885**	.774**	.698**	.106	.451**	.235*	
Participative Behavior	3.7434	.499	81.16	.101	.527**	.339**	.481**	.506**	.726**	.517**	.650**	.515**	.586**

**Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

As shown in table 3 fair motivational techniques are poor correlate at value .101 with employee's participative behavior and negatively correlate at value of -.218 with organizational outcomes and level of significance is 0.05 while 3.3 mean value shows average response of employees and represents neutral response about fair motivational techniques in employee's participative behavior in managerial decision making and total variation among respondents is .69. The mean value of managerial attitude is 3.3 which is near to 3 that shows employees are neither dissatisfied and not satisfied from managerial attitude in employee's participative behavior and variation among responses is .46 and reliability of this variable is 79 % while correlation between managerial attitude and employee's participative behavior is .527 highly significant and also strongly correlated at .404 as shown in table with employee's participative behavior and organizational outcomes.

The mean value of organizational commitment is 3.1 which is near to 3 that shows employees are neither dissatisfied and not satisfied from organizational commitment in employee's participative behavior and variation among responses is .44 and reliability of this variable is 92 % while correlation between organizational commitment and employee's participative behavior is .339 highly significant and also strongly correlated at .552 as shown in table with employee's participative behavior and organizational outcomes. The mean value of job satisfaction is 3.4 which is near to 3 that shows employees are neither dissatisfied and not satisfied from job satisfaction in employee's participative behavior and variation among responses is .94 and reliability of this variable is 93 % while correlation between job satisfaction and employee's participative behavior is .481 highly significant and also strongly correlated at .885 as shown in table with employee's participative behavior and organizational outcomes.

The mean value of Job involvement is 3.2 which is near to 3 that shows employees are neither dissatisfied and not satisfied from job involvement in employee's participative behavior and variation among responses is .44 and reliability of this variable is 88 % while correlation between job involvement and employee's participative behavior is .506 highly significant and also strongly correlated at .774 as shown in table with employee's participative behavior and organizational outcomes. The mean value of communication level is 2.6 which is near to 3 that shows employees are neither dissatisfied and not satisfied from communication level in employee's participative behavior and variation among responses is .92 and reliability of this variable is 77 % while correlation between communication level and employee's participative behavior is .726 highly significant and also strongly correlated at .698 as shown in table with employee's participative behavior and organizational outcomes.

The mean value of flexible work environment is 3.5 which is near to 4 that shows employees are satisfied from flexible work environment in employee's participative behavior and variation among responses is .60 and reliability of this variable is 74 % while correlation between flexible work environment and employee's participative behavior is .726 highly significant and also strongly correlated at .698 as shown in table with employee's participative behavior and organizational outcomes. The mean value of training consistency is 3.3 which is near to 3 that shows employees are neither dissatisfied and not satisfied from training consistency in employee's participative behavior and variation among responses is .73 and reliability of this variable is 70 % while correlation between training consistency and employee's participative behavior is .517 highly significant as shown in table with employee's participative behavior.

The mean value of employee priorities is 3.9 which is near to 4 that shows employees are satisfied from employee priorities in employee's participative behavior and variation among

responses is .58 and reliability of this variable is 86 % while correlation between employee priorities and employee's participative behavior is .650 highly significant and also strongly correlated at .451 as shown in table with employee's participative behavior and organizational outcomes. The mean value of organizational outcome is 3.8 and variation among responses is .07 and reliability of this variable is 83 % while correlation between organizational outcome and employee's participative behavior is .515 highly significant and also correlated at .235 at significance level of 0.05 as shown in table with employee's participative behavior and organizational outcomes.

The mean value of employees participative behavior is 3.8 which is near to 4 that shows employees are satisfied that employee's participative behavior in managerial decision making is strongly correlated with .586 value of "r" and its positive and strong impact on organizational outcome.

Practical Implications

This study provides some course of action to managers to understand how to enhance organizational outcome through employee's participative behavior in managerial decision making by focusing on job satisfaction, job involvement and organizational commitments, by making superior decisions about the desired goals for their employees. The research findings signify the importance to consist of the management of both flaxen procedures and reasonable outcomes. These findings help the managers to realize how flaxen judgments could throw in towards the valuable management of workforce in the course of implementation policies about employee's participation in managerial decision making.

Limitations and Future Directions

Participative management is considered as a significant factor for the effectiveness of the organization and their employees. Therefore, a suggestion is that further research examined in other regions and environments. Future research should also effort to achieve a larger population sample size. Future researchers can get better the general application of the current study by replicating these outcomes using other statistical tools and methods. Future research should also scrutinize the impact of managerial attitude at organizational effectiveness. Therefore, suggested implication is prepared that future research should judge experimental or longitudinal approach to reach at outcomes that are more concrete.

References

- Bititci, U. S., Mendibil, K., Nudurupati, S., Garengo, P., & Turner, T. (2006). Dynamics of performance measurement and organisational culture. *International Journal of Operations & Production Management* , 26(12), 1325-1350.
- Branch, K. M. (2002). Participative Management and Employee and Stakeholder Involvement. *Ch 10 Participative Management*, 5(3), 10-16.
- Crane, T. C., Dillard, G. B., & Hamilton, J. A. (2003). Empowered teams effecting positive corporate culture change. *Journal of Fashion Marketing and Management* , 7 (2), 182-195.
- Eaton, A. E., & Rubinstein, S. A. (2006). Tracking Local Unions Involved in Managerial Decision-Making. *Labor Studies Journal* , 31(2), 1-29.
- Honold, L. (1997). A review of the literature on employee empowerment. *Empowerment in Organizations*, 5(4), 202-212.

- Jena, P. & Rautaray, B. (2010). Participative management in medical college libraries of Orissa: a comparative study. *Library Review* , 5(3), 10-16.
- Leach-Lo'pez, M. A., Stammerjohan, W. W., & Lee, K. S. (2009). Budget participation and job performance of South Korean managers mediated by job satisfaction and job relevant information. *Management Research News* , 32(3), 220-238.
- Mosadegh Rad, A. M., & Yarmohammadian, M. H. (2006). A study of relationship between managers' leadership style and employees' job satisfaction. *Leadership in Health Services*, 19(2), 1366-0756.
- P.Crane, D. (2009). The Case for Participative Management. *Business Horizons* , 5(3), 42-48.
- Singh, S. K. (2009). A Study on Employee Participation in Decision Making. *Unitar E-Journal*, 5(1), 20-39.
- Towers, N., & Chen, R. (2008). Employing the participative paradigm as a valid empirical approach to gaining a greater understanding of contemporary supply chain and distribution management issues. *International Journal of Retail & Distribution Management*, 36(8), 627-637.
- Trevizan, M. A., & Mendes, I. A. (1995). Perspectives of participative management in nursing. *Applied Nursing Research*, 8(4), 156-159.