



Research Paper

A Study on the Effect of Employees' Participation in Decision Making On Organizational Performance with Special Reference To Kodai Chocolate Factory, Kodaikanal

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ABSTRACT

This study examines the relationship between employees' involvement in decision-making and firms' performance. Participation in decision-making process leads to results of job satisfaction of employees, increases productivity of the organization and also increases the profit. This helps the employer to achieve the organization's goal easily. There is a positive correlation between decision making, motivation and performance. Employees' participation is one of the most important influencing factors in decision-making for organizational effectiveness. Infact, employees' participation is valuable to the organization when they provide suggestions and guidelines to the organization as it helps to attain its goal. Employees' participation has to reduce the gap between employees and the management. If the management gives importance to the employees in decision-making process, it will reduce the cost of control. So, the organization has to encourage the employees to involve in decision-making process. Employees' participation is essential to the organization in decision-making and other process as it motivates the employees and increase their productivity rate.

Key Words: Participation in Decision-making, Career-development programme, Productivity Rate, Employees' recognition.

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I. INTRODUCTION

When the employees are involved in decision-making process, they gain an important part in the organization and its overall success. This will lead to increase in their productivity rate. They can actively participate in different aspects of the company and it leads to overall success. This not only benefits for the company's growth, but also the employees and also this will increase the responsibility of every employees of the organization. Actively workers engaging in the decision-making process of the company will increase the overall company's morale. Participation in the decision-making process helps the employer to understand employees' ideas. It is an important contribution to the company and it gives power to the employees and increases job satisfaction and creates positive attitude within them. Also, it provides an opportunity to the employees to share their opinions and knowledge with the management and colleagues. It will improve the relationship between the management and employees and helps to create teamwork among the employees. Moreover, it is one of the good way to gather information from the employees about their views, suggestions and opinions.

II. REVIEW OF LITERATURE

Oluyinka Solomon, (2022) they stated that incentive system and employee motivation has a significant relationship, both system has to improve the employee productivity and has a positive correlation. So all companies has adopted these strategies it will help to improve employee productivity and organizational performance

Triantafillidou and Koutroukis (2022) conducted a study on the relationship between employee involvement and participation, labour relations, and human resource management in the Choco industry. The study aimed to investigate the extent to which labour relations and human resource management practices influence employee involvement and participation. The researchers used a qualitative research design, conducting semistructured interviews with 20 employees and managers from five multinational Choco companies in Greece. The results of the study showed that employee involvement and participation were influenced by Employee relations and

human resource management practices in the subsidiaries. Similarly, human resource management practices, such as employee training and development programs, also had a positive impact on employee involvement and participation. The study's findings could be useful for managers in this industry to improve their Employee relations and human resource management practices, leading to increased employee involvement and participation, and ultimately, improved organizational performance.

Lawrence Wainaina, (2023) they stated that employee participation increase the level of decision making also employee participation in decision making increases the organizational commitment. Employee interaction, issue related discussions with employee and better work environment has help to the management to increase the level of organizational commitment.

2.1 OBJECTIVES OF THE STUDY

- To gain the knowledge of decision-making process followed in the organization.
- To assess the impact of employees due to their engagement in decision-making process in the organization.
- To analyse the relationship between the employees' participation in decision-making process and their productivity rate in the work environment.

III. RESEARCH METHODOLOGY

Data Collection Method: The study collected primary and secondary data on the variables influencing information collected through company employees and employer through questionnaire.

Sample Size and Sampling Technique: The sample size of the study is 150 respondents. The respondents are employees of the **KODAI CHOCOLATE FACTORY, KODAIKANAL**. The method of easy simple random sampling was employed to gather the data.

Data Analysis: Descriptive analysis was used to analyse the data. Percentage Analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding. Chart Analysis is applied for better understanding of the percentage analysis and it is done via bar charts.

IV. DATA ANALYSIS AND INTREPRETATION

4.1 Percentage Analysis

Educational Qualification of the Respondents

Table 4.1 Educational Qualification of the Respondents

| Particulars | Respondents | Percentage |
|--------------------|--------------------|-------------------|
| Higher Secondary | 60 | 40.0 |
| Diploma / Degree | 67 | 44.7 |
| Post Graduation | 23 | 15.3 |
| Total | 150 | 100 |

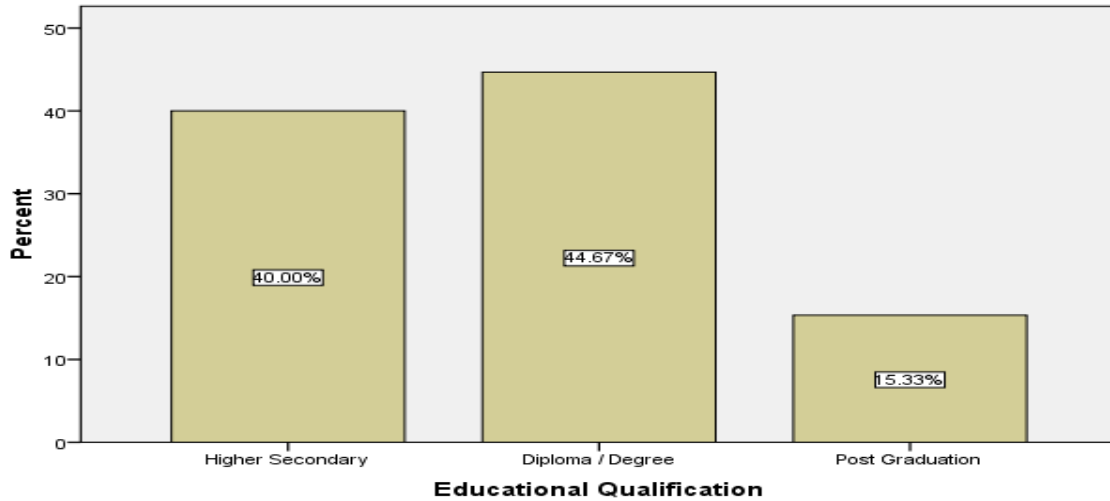


Fig.4.1 Educational Qualification of the Respondents

Inference

The above table shows that, 40% of the respondents are HSC qualification, 44.7% of the respondents are qualified in Diploma / Degree, and remaining 15.3% of the respondents are qualified in PG.

Working Experience of the Respondents

Table 4.2 Working Experience of the Respondents

| Particulars | Respondents | Percentage |
|----------------|-------------|------------|
| Below 5 years | 70 | 46.7 |
| 5-15 years | 45 | 30.0 |
| Above 15 years | 35 | 23.3 |
| Total | 150 | 100 |

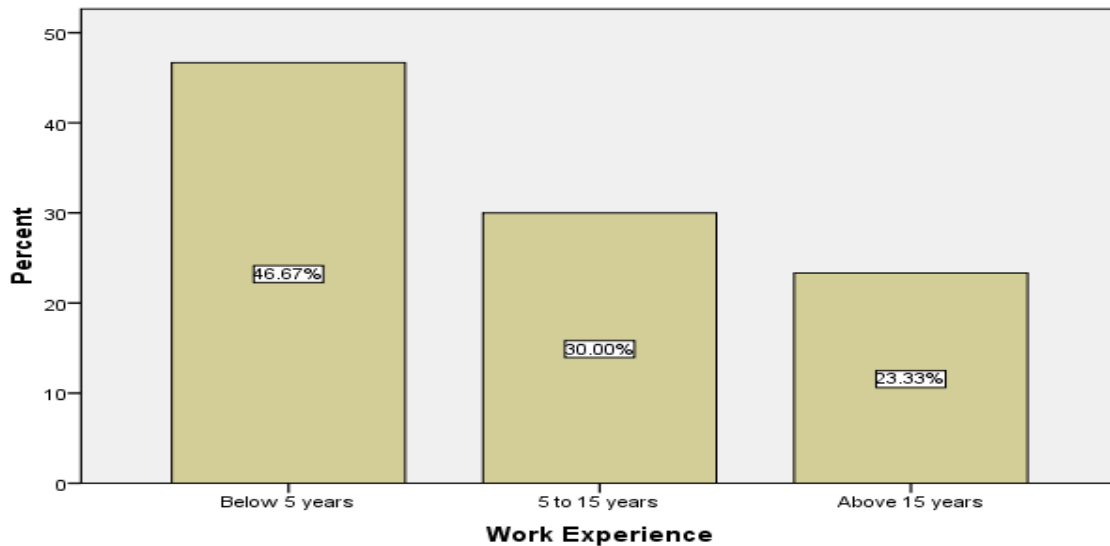


Fig.4.2 Working Experience of the Respondents

Inference

The above table shows that, 46.7% of the respondents are below 5 years of work experience, 30% of the respondents are 5-15 years of work experience and remaining 23.3% of the respondents are above 15 years of work experience.

Participation of Employees in Decision-making process

Table 4.3 Participation of Employees in Decision-making process

| Particulars | Respondents | Percentage |
|-------------------|-------------|------------|
| Strongly Agree | 37 | 24.7 |
| Agree | 61 | 40.7 |
| Neutral | 34 | 22.7 |
| Disagree | 9 | 6.0 |
| Strongly disagree | 9 | 6.0 |
| Total | 150 | 100 |

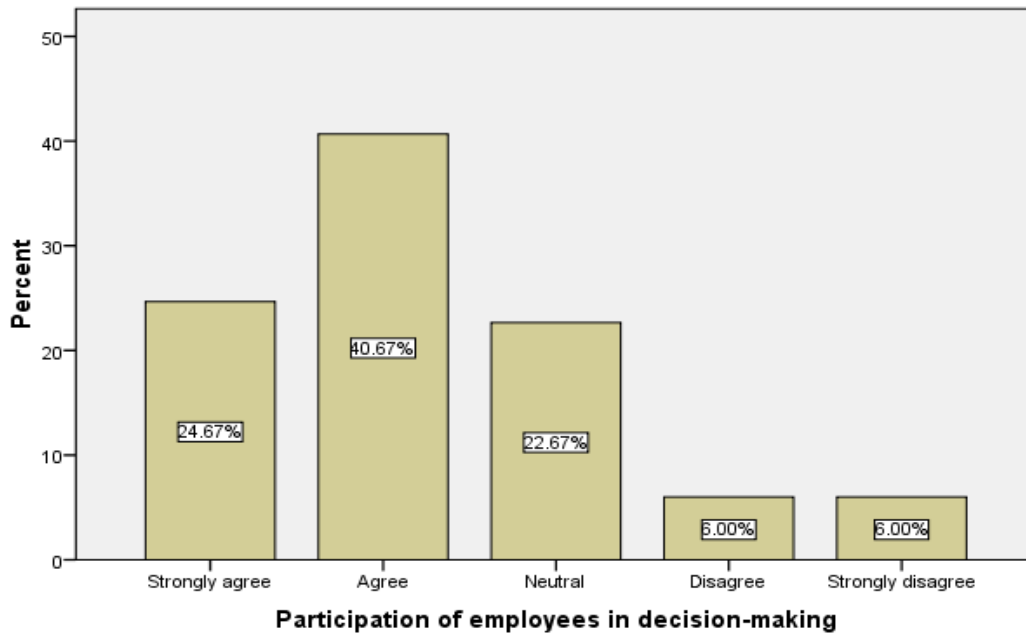


Fig.4.3 Participation of Employees in Decision-making process

Inference

The above table shows that, 24.7% of the respondents are strongly agree their participation in decision-making, 40.7% of the respondents are agree their participation in decision-making, 22.7% of the respondents are neutral, and 6% of the respondents disagree and strongly disagree their participation in decision-making.

Employees' Participation in Decision-making boosts their morale

Table 4.4 Employees' Participation in Decision-making boosts their morale

| Particulars | Respondents | Percentage |
|-------------------|-------------|------------|
| Strongly agree | 37 | 24.7 |
| Agree | 60 | 40.0 |
| Neutral | 42 | 28.0 |
| Disagree | 6 | 4.0 |
| Strongly disagree | 5 | 3.3 |
| Total | 150 | 100 |

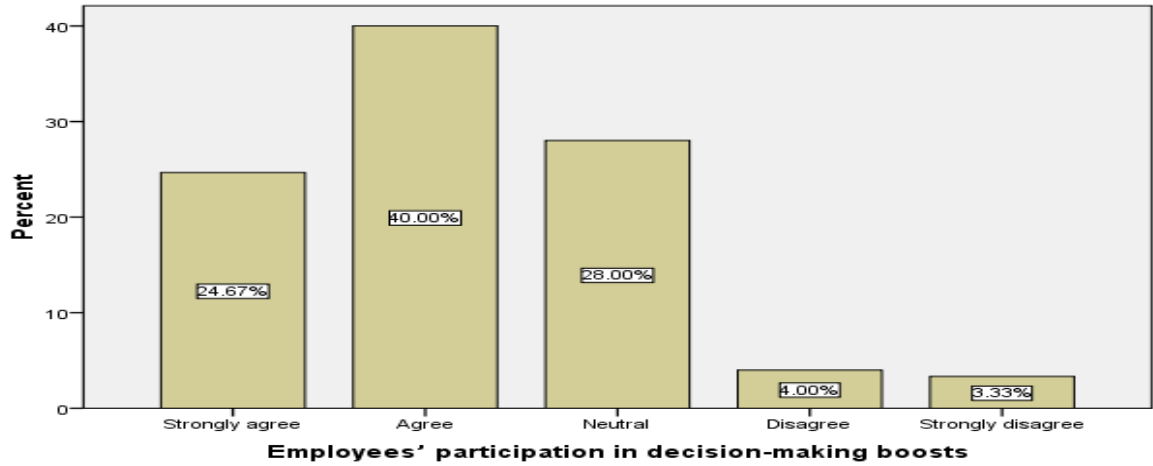


Fig.4.4 Employees' Participation in Decision-making boosts their morale

Inference

The above table shows that, 24.7% of the respondents strongly agree that decision-making boosts, 40% of the respondents are agree that decision-making boosts, 28% of the respondents are neutral, 4% of the respondents are disagree that decision-making boosts, and 3.3% of the respondents strongly disagree that decision-making boosts.

Employees feel valued in Decision-making process

Table 4.5 Employees feel valued in Decision-making process

| Particulars | Respondents | Percentage |
|-------------------|-------------|------------|
| Strongly agree | 55 | 36.7 |
| Agree | 62 | 41.3 |
| Neutral | 23 | 15.3 |
| Disagree | 5 | 3.3 |
| Strongly disagree | 5 | 3.3 |
| Total | 150 | 100 |



Fig.4.5 Employees feel valued in Decision-making process

Inference

The above table shows that, 36.7% of the respondents strongly agree that they are valued in decision-making, 41.3% of the respondents agree that they are valued in decision-making, 15.3% of the respondents are neutral, 3.3% of the respondents disagree and strongly disagree that they are valued in decision-making.

4.2 Chi-Square Test

Null Hypothesis

H0: There is no significant relationship between Educational Qualification and Participation of employees in decision-making process.

Alternative Hypothesis

H1: There is a significant relationship between Educational Qualification and Participation of employees in decision-making process.

| Case Processing Summary | | | | | | |
|--|-------|---------|---------|---------|-------|---------|
| | Cases | | | | | |
| | Valid | | Missing | | Total | |
| | N | Percent | N | Percent | N | Percent |
| Educational Qualification * Participation of employees in decision-making | 150 | 100.0% | 0 | .0% | 150 | 100.0% |

| Chi-Square Tests | | | |
|------------------------------|----------------------|----|-----------------------|
| | Value | df | Asymp. Sig. (2-sided) |
| Pearson Chi-Square | 1.947E2 ^a | 8 | .000 |
| Likelihood Ratio | 194.975 | 8 | .000 |
| Linear-by-Linear Association | 108.481 | 1 | .000 |
| N of Valid Cases | 150 | | |

a. 6 cells (40.0%) have expected count less than 5. The minimum expected count is 1.38.

Inference

The significant value (1.38) is > greater than the P value (0.000). Hence, null hypothesis is accepted. So, there is no significant relationship between Educational Qualification and Participation of employees in decision-making process.

4.3 Correlation Analysis

Null hypothesis

H0: There is no significant relationship between Employees' involvement in decision-making process and their Productivity rate.

Alternative hypothesis

H1: There is a significant relationship between Employees' involvement in decision-making process and Productivity rate.

| Correlations | | | |
|--|-----------------------------------|---|------------------------------------|
| | | Employees' involvement in decision-making process | Productivity rate of the employees |
| Employees' involvement in decision-making process | Pearson Correlation | 1 | .850** |
| | Sig. (2-tailed) | | .000 |
| | Sum of Squares and Cross-products | 96.833 | 112.700 |
| | Covariance | .650 | .756 |

| | | | |
|--|-----------------------------------|---------|---------|
| | N | 150 | 150 |
| Productivity rate of the employees | Pearson Correlation | .850** | 1 |
| | Sig. (2-tailed) | .000 | |
| | Sum of Squares and Cross-products | 112.700 | 181.740 |
| | Covariance | .756 | 1.220 |
| | N | 150 | 150 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Inference:

This is a positive correlation. H1 is accepted. There is a significant relationship between Employees' involvement in decision-making process and their Productivity rate.

V. Findings, Suggestions and Conclusion

5.1 Suggestions

- Organizations are encouraged to design their firm in such a way that it will boost up free flow of decision-making in their organization and gives room for full involvement of their employees to participate and create efficiency on organizational decision-making process.
- Firms are advised to put more mechanisms that will encourage their employees to come up with better innovative ways of achieving and promoting organizational performance.
- Firms are commended to improve the level of workers involvement in decision making between employees and employer.

5.2 Limitations of the study

- The study is confined only to 150 respondents among the sample size and was considered as enough for the study.
- Due to work pressure and the working environment, employees did not have sufficient time to give proper response to the queries.

5.3 Conclusion

Employees' participation in decision-making process will increase the organizational ability and help the management to make decisions. Implementation of employees' participation programs need systematic and integrated approach. In this competitive business environment, employees' participation in decision-making process fair pay structure is one of the most important factors of organizational innovation and its effectiveness. The management has to adopt employees' innovative programs to improve the employees' performance, growth and competitiveness on the global market. So, the organization has to encourage employees involving in management process. It not only benefits employees, but also the organization. So, the management has to implement best process to improve the employees' morale and increase their productivity. According to this study, only some of the companies give preference to the employees to participate in management process. But in some of the company, employees are still working under depression as they are not allowed to participate in any other process. The management has to identify the issues and takes necessary steps to improve the employees' career and allow them to involve in management decision-making process.

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