

# The Impact of employee participation in decision making on the performance of an organization: A case study of State Bank of India.

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***Abstract: This paper will define the aims and objectives of the study and will answer all research questions. Researchers need to do this research to study the extent of the employee's impact on the Performance of the organization, especially when participating in decision-making, also to know the factors that contribute to improving the performance of the organization. This study will help human resource managers to focus and understand the importance of employee participation in decision-making to improve the performance of the organization. The impact of employee participation in decision-making to increase the performance of the organization is an important and huge topic. This topic has been studied by many researchers from several different sides.***

## INTRODUCTION

The researchers are doing this study to understand more of this topic from the employees of State Bank of India. To facilitate and confirm the topic, as well as to obtain useful information they have researched from many various studies. In addition, they will determine if there is a relationship between the employee participation in decision-making and increasing the performance of the organization. This paper will define the aims and objectives of the study and will answer all research questions. Researchers need to do this research to study the extent of the employee's impact on the Performance of the organization, especially when participating in decision-making, also to know the factors that contribute to improving the performance of the organization. Employee Participation refers to the activities which is taken up by the employees to participate in the organization so as to achieve a common goal and when the employees are involved in making decisions by sharing their opinions and discussing their work matters it will create a sense of team work and improve the performance of their work. Most of the organizations encourage the employees to participate in the decision making so as to improve the performance of the organization and to achieve the overall objectives of the organization.

## Need for the Study

The decision-making of the employee will have a great benefit for both the firm and the workforces, on the firm side it will meet the organization goals and also help to reach it objectives. There will be a hand copy available and kept inside the university public library, it can be a help as a mean by other research scholars for reference for their research in the future. For the State Bank of India it will help to identify the areas where the employee participation could be support to for the organization in the process of decision making. The Study has so many advantages for the employee to be in involved on the making-decision process the engagement will have the effort collaborative and also the improvement of the interaction between the staff and better way to communicate with each other. This study will help human resource managers to focus and understand the importance of employee participation in decision-making to improve the performance of the organization. If the employee interacts and participates in decision-making, this means higher employee commitment and employee morale, ease of cooperation between managers and employees, higher job satisfaction and consequently higher organizational performance.

## REVIEW OF RELATED LITERATURE

There has been a lot of previous research done on the effectiveness of employee participation in decision making in improving the performance of an organization. This paper include an evaluation of prior lookups on the standards that have been undertaken and reviews of decision making and performance, impacts on organizational performance. The following literature review and study will provide insight into employee participation in decision-making.

Gbosien,et.al., (2021)researched in Nigeria to limit the relationship of the employees in taking a part in the decision making process and have an affective and commitment of the staff in Delta State Internal Revenue Service. The method that has been used was a descriptive survey with a sample of 105 which were selected randomly from total of 143 employees. The data that was examined using Pearson Product Moment Correlation through SPSS. The result found that indeed there is a connection between affective commitment and involvement of the employee in making decision and it has a positive important effect on the job commitment.

Ijeoma and Mbah (2020) examined the impact of employee participation in decision making on organizational performance from government owned enterprises in Port-Harcourt with a sample of 100 respondents and analyzed through ANOVA and found out that employee participation in decision making has positive effect on Organizational Performance and various recommendations were given to the Organization.

Daniel, (2019) has attempted to study the impact of employee's participation on decision making in Nigerian banking sector. The study's research aims were to discover how employee participation in decision-making affects organizational performance and to determine the level of workers' participation in decision making in organizations. The research was designed to be descriptive in character. The objectives of the study and research hypotheses were designed to guide the study. An extensive review of related literature was conducted. The study employed the primary data technique, with the instrument being a questionnaire survey created in the Likert scale questionnaire format and presented to 102 respondents. According to the study's findings, employee participation in decision-making has an impact on the performance of organizations in Nigeria. The study's findings show a statistically significant link between employee involvement in decision-making and organizational effectiveness. The data also show that participating organizations are involved in employee involvement in decision-making.

Elaheh,et.al., (2019) studied the employee's contribution on decision making and having the benefits and costs of both the organization and the individual. The methodology that were used for collected the data from the bank is Variance-Based

Structural Equation Modeling and the number of employees they used was 269 in to waves. The finding the researchers got shows that there is an employee taking a part in making the decision has a positive effect on the psychological source such as self-efficacy, hope and job satisfaction.

Alsughayir, (2016) has attempted to study the influence of employee participation in decision-making on firm performance in Saudi Arabia's manufacturing sector. Pre-validated, piloted questionnaires were e-mailed to 341 manufacturing firms to collect data. Employee involvement in decision-making and performance characteristics were both addressed in the questionnaires. Sixty-three percent of those polled responded. PDM dimensions were converted into 20 statements on a five-point Liker scale. The degree of PDM was measured on a scale ranging from no involvement to substantial involvement. In addition, we utilized a five-point Liker scale to assess the firms' performance in terms of the ten criteria. The mean index of the firms' performance was calculated by adding the scores of the ten elements and averaging them. A score of less than 4.0 was considered low firm performance, while a score of 4.0 or higher was considered strong firm performance. In the analysis, statistical tools were applied. We used product-moment correlation to see if there was a link between employee participation in decision-making and business performance. The extent of variance in the dependent variable was determined using regression analysis and the Z-test (approximated by the independent samples t-test). The findings revealed a strong positive link between PDM and business performance, implying that PDM is an important factor affecting firm success. The higher the level of employee decision-making participation, the higher the level of firm performance.

Appelbaum, et.al., (2013) had made an attempt to study employee participation in decision making by studying of job satisfaction and commitment in Montreal, Canada. When employees have faith in and trust in their managers, it motivates and encourages them to participate in decision-making, which improves their efforts, job satisfaction, and commitment to work. All of these characteristics combine to create a trusting manager-employee relationship. While the literature supports this premise, there is little empirical evidence that patterns of causal inference in the relationship are clearly understood. This three-part empirical case

focuses on the relationships between employee trust in management and job happiness, intention to quit, level of employee engagement in decision-making, and commitment in a Quebec manufacturing company. The sample size of office workers was insufficient to obtain statistically significant correlations between variables for production sector personnel and office/administrative professionals. This might have aided in determining the level of internal communication for the two groups of employees, as well as the level of all the other variables.

Owolabi and Abdul (2011) examined the relationship between the employee's participation in decision-making and organizations in the manufacturing performance in Nigeria sector. A questionnaire was the means that they choose to aggregated with 670 questionnaires from the manufacturing firms on their employees it was analyzed by using the Z-test and regression, moment product correlation in addition of the descriptive statistics. The outcomes of the study found that specified the significant statistically relationship of the employee's contribution in making the decision and the performance of the firms as well as the reveal the contribution of involvement of firms in decision making.

Vijayashree and Chandran (2019) made an attempt to find out the influencing factors of employee participation in decision making process. Job Satisfaction of employees, increases productivity of the organization and increase the profit are the results of participation in decision making which helped the employer to achieve the organizational goals. Employee participation is one of the most important influencing factors in decision making for organizational effectiveness. The Gap between employee and the management can be reduced through employee participation and it also reduced the cost of control to the management. Employee Participation is essential to the organization decision making and it will motivate the employees and increase the productivity.

#### Research Gap

Many previous past studies have been conducted on the effectiveness of employee participation in decision making in improving the performance of an organization. Studies were limited on public sector only and it was either the effectiveness of employee participation in decision making and on

improving the performance in private companies, mentioned by Chukwue meka (2020). However, no study was compare in the private sectors, where this study focuses on private sector and how employee involvement and participation have an impact on the performance in State Bank of India and this study will also show the most influencing factor and least influencing factor of employee participation in decision making and its impact on the performance of the Organization.

#### RESEARCH METHODOLOGY

Within each project there are different research methodology's techniques that depend on the project requirement used to identify, select and analyze that data. Methodology does not express particular method, even if more attention were given to the kinds and nature of the processes designate followed in a specific method otherwise toward accomplish an objective. However there two methods can be used qualitative or quantitative or else it can be mixed methods. In this paper includes the explanation about what type of methods we choose to go with. And the reasons we select them also when and how the research was conducted as well as the instrument and how the data was collected.

#### OBJECTIVES OF THE STUDY

The main aim of the study is to study the impact of employee participation on decision making on the performance of an organization.

The specific Objectives are:

1. To identify the most influencing and least influencing factors of employee participation in decision making.
2. To investigate the effect of employee participation in decision making on Performance of an Organization.

#### Research Respondents

Population can be defined as whole organisms or people which are involved in this study.

The population for this study includes employees of the State Bank of India employees which are 800 employees. The intended respondents for this research are employees of State Bank of Inida. The research participants are 90 employees. Convenience sampling technique will be used and the Sample size were calculated by using Taro Yamane's Formula which is  $n = \frac{N}{1 + N(E)^2}$

Where  $n$  = Total Sample Size  
 $N$  = Total Population  
 $E$  = error term

#### Research Instrument

The research instrument that was used is the questionnaire. It consists of close-ended questions. Questionnaire was divided into 3 sections; Section A consist of Demographic Profile of the respondents. Section B consist of the factors which influences the employee participation in decision making and Section C consist of Employees participation with the Organizational Performance. There are many reasons for choosing the questionnaire as a research instrument, including: it is easy to analyze, it does not consume a lot of time, it helps to get the largest number of answers from the target people, it is considered less expensive and easy to understand. An online questionnaire was used in this research. It was chosen in view of the conditions the world is going through due to the Covid 19 pandemic. Given its danger to human health through contact and the rapid spread of infection among people, the online questionnaire was preferred. By creating a link and applauding the questionnaire in it, the targeted person will click on the link so the full questionnaire will appear, then he will answer the question, the questionnaire was in both Arabic and English to make it easier for everyone to understand. The online questionnaire had many benefits and facilities for researchers and for respondent as well. The online questionnaire helped the researchers to collect data easily in a shorter time after the target person finished answering. Without going to the Bank and distributing the questionnaire to each person. Also, the discussion of the question between researchers was easy and quick.

#### Collection of the Data

The Primary source and the secondary source were both employed in this study. This investigation yielded many data. Articles, newspapers, and magazines were used as secondary sources, and Google Scholar was used to find complete and valuable articles. Data was also gathered from the questionnaire, which was the primary source of information. The online questionnaire was delivered by emailing the link to the employees who were targeted.

#### Time Period of the study

The study is conducted for a four months' period, from September to December 2021. Data will be collected in the month of November. First, responses to questionnaires and other data from various papers were gathered. The second step was to assess both main and secondary data. Third, the data has been thoroughly examined. Finally, putting the data to good use and recording it in the research.

#### Ethical Consideration:

One of the ethical difficulties investigated in this study is the respondent's permission, as the respondent has the right to refuse to participate or answer questions, or they can gladly answer the questionnaire. Furthermore, because the questionnaire would be straightforward and simple, the respondents will be aware of the questionnaire's purpose. Because they are taking part in the survey, the respondents' privacy is safeguarded by not disclosing any personal information (name).

#### Scope and Limitation of the study

Due to the confidential information and restriction from the bank authorizes the researcher not mention name of the bank. The name of the bank is considered as a State Bank of India. The scope of the Study covered State Bank of India in Telangana region and the study is conducted for a four months' period, from September to December 2021 which is a very short time to do the researcher work. This research work could not cover all the branches of State Bank of India. This research focused only on the most influencing factors and the least influencing factors of employee participation in decision making but it could not make a further study on how these factors can help the employees in making decisions to improve the performance of the organization. The Study covered only the age, gender and income level as the demographic variables to identify the employee participation in decision making further studies can also be done with other variables like Education level, Marital status.

#### ANALYSIS OF THE DATA

The following data and results linked to the impact of employee participation in decision-making and increasing the performance of the organization. Can be obtained based on responses to the questionnaire filled out by various respondents and observations made over the process of completing this study. The information acquired in this chapter is presented in

tabular and graphical form. It shows how to analyze and interpret statically processed data. The Questionnaire included 90 employees and the following are the survey result.

Table -1: Demographic profile of employee

	Frequency	Percent
Gender:		
Male	60	66.67
Female	30	33.33
Total	90	100.0
Age group:		
Under 20 years	10	11.11%
20-25 years	25	27.78%
25-30 years	35	38.89%
Above 30 years	20	22.22%
Total	90	100.0
Top management	15	16.67%
Middle management	45	50.00%
Lower management	30	33.33%
Total	90	100.0
Qualifications:		
Foundation	10	11.11%
Diploma	14	15.56%
Degree	30	33.33%
Masters	23	25.56%
Others	13	14.44%
Total:	90	100.0

It was noticed that 60.76% of the employee are male and while, 33.33% are woman.38.89% is the highest percentage of the employees age group which is form 25-30 years. It was observed that 73.33% is highest percentage of our employees Ethnicity are Omani. 50.00% is the Level of working for the Middle management and it is the highest one compare to the

other two levels. According to survey result the highest certificate that the employees hold is degree which goes about 33.33% while, the Foundation is the lows it one 11.11% employee graduated with.

Table -2: My Organization offers career development programmed

Q1	Frequency	Percent
Strongly Agree	23	25.56%
Agree	13	14.44%
Neutral	34	37.78%
Disagree	12	13.33%
Strongly Disagree	8	8.89%
	M= 3.34	

in the above chart it shows that 37.78% of the employee's respondents about the career development programmed are neutral, while on the other hand 8.89% are disagreed and they say that do not offer enough career development programmed. The average is 3.34.

Table =3: Cultural diversity is important in the organization as it brings lot of values

Q4	Frequency	Percent
Strongly Agree	14	15.56%
Agree	40	44.44%
Neutral	20	22.22%
Disagree	10	11.11%
Strongly Disagree	6	6.67%
	M=3.51	

Interpretation: in the following chart 44.44% of the employees are agreeing that cultural diversity is important and it can bring lot of values to the bank, while only 6.67% saying otherwise and strongly disagreeing with idea of cultural diversity in the organization.

Table -4: Working in a diverse environment is more challenging

Q5	Frequency	Percent
Strongly Agree	23	25.56%
Agree	37	41.11%
Neutral	10	11.11%

Disagree	9	10.00%
Strongly Disagree	11	12.22%
	M=3.57	

Interpretation: in the above diagram 41.11% are agreeing that working in a diverse environment is more challenging to them, while only 10% says that they disagreeing and it is not a challenge for them.

Table -5: There are many types of employee recognition in my organization

Q6	Frequency	Percent
Strongly Agree	10	11.11%
Agree	37	41.11%
Neutral	22	24.44%
Disagree	17	18.89%
Strongly Disagree	4	4.44%
	M=3.35	

Interpretation: in the following chart it shows that 18.89% of employees are disagreeing on getting the deserved recognition in the organization, while on the other hand 41.11% are agreeing and saying that they indeed getting the recognition in the Organization.

Table -6: Flexible hours inspire my performance in the organization

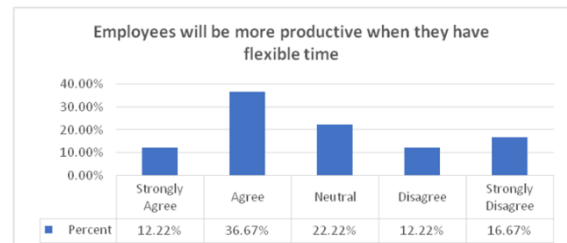
	Frequency	Percent
Strongly Agree	45	50.00%
Agree	33	36.67%
Neutral	7	7.78%
Disagree	3	3.33%
Strongly Disagree	2	2.22%
	M=4.29	

Interpretation: in the above chart it shows the employees respondents that Flexible hours inspire their performance in the organization and 50% of the works said that they strongly agree and 4.29 is the average, only 2% of employees says otherwise.

Table -7: Employees will be more productive when they have flexible time

	Frequency	Percent
Strongly Agree	11	12.22%

Agree	33	36.67%
Neutral	20	22.22%
Disagree	11	12.22%
Strongly Disagree	15	16.67%
	M=3.19	



Interpretation: in the chart above it shows that 36.67% employees will be more productive when they have flexible time and 16.67% says that they are disagreeing and flexible time does not impact the productive.

Table -8: It will be good for the team to adopt learning culture

	Frequency	Percent
Strongly Agree	24	26.67%
Agree	43	47.78%
Neutral	12	13.33%
Disagree	9	10.00%
Strongly Disagree	2	2.22%
	M=3.86	

Interpretation: the chart above shows that 47.78% of the employees think that adopt learning culture will be good for the bank and for the team and as result 3.86 is the average, while only 2% are strongly disagreeing in that matter.

Table -9: My Organization adopts learning culture

	Frequency	Percent
Strongly Agree	30	33.33%
Agree	23	25.56%
Neutral	22	24.44%
Disagree	5	5.56%
Strongly Disagree	10	11.11%
	M=3.64	

Interpretation: in the following chart about Organization adopting learning culture as for the

employee's respondents it shows that 33% of them are strongly agreeing that the bank is adopting the learning culture, while 5.56% are disagreeing and 3.64 is average.

Table -10: Employee participation with organizational performance

	Frequency	Percent
Strongly Agree	47	52.22%
Agree	30	33.33%
Neutral	11	12.22%
Disagree	1	1.11%
Strongly Disagree	1	1.11%
	M=4.34	

Interpretation: The above chart shows the opinions of respondents about the high pay encourages me to remain in the work place. 52.22% of the respondent were strongly agree, while the average is 4.34 and it is good, 1.1% of these respondents were disagree and about 12.22% of them were neutral.

Table -11: Good working conditions motivate me to bring out of my good performance

	Frequency	Percent
Strongly Agree	40	44.44%
Agree	30	33.33%
Neutral	10	11.11%
Disagree	7	7.78%
Strongly Disagree	3	3.33%
	M=4.07	

Interpretation: The above chart illustrates respondent view about good working conditions motivate them to bring out their good performance, the result shows that most of the respondent about (44.44%) were strongly agree, (3.33%) of them were strongly disagree. On the other hand (33.33%) of the respondent were agree and (7.78%) were disagree. in addition, (11.11%) of respondents were neutral if they are agreeing or disagree, therefor the average is 4.07.

Table -12: Job security motives me to remain in the Job

	Frequency	Percent
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Strongly Agree	35	38.89%
Agree	24	26.67%
Neutral	15	16.67%
Disagree	8	8.89%
Strongly Disagree	8	8.89%
	M=3.84	

Interpretation: The above chart shows the opinions of respondents on job security motives them to remain in the job. the most respondents around 38.89% were strongly agree and 3.84 is the average, only 8.89% of them were disagree and about 16.67% of them were neutral if they agree or disagree.

Table -13: Employee commitment affects the performance of the organization in a positive manner

	Frequency	Percent
Strongly Agree	20	22.22%
Agree	40	44.44%
Neutral	17	18.89%
Disagree	10	11.11%
Strongly Disagree	3	3.33%
	M=3.71	

Interpretation: The above chart shows the opinions of respondents about employee commitment affects the performance of the organization in a positive manner as it shown the mean is 3.71. Most of respondents were agree 44.44%, only 3.33 % of them were strongly disagree and about 18.89% of respondents were neutral.

Identify and tick the relevant answer which is required for the employee participation in decision making.

Table -14: Requirements for the employee participation in decision making.

	Frequency	Percent
Training	10	11.11%
Right skill and knowledge	8	8.89%
Undertaking effective programme	12	13.33%
Employee skills	30	33.33%
Job experience	20	22.22%
Education level	10	11.11%

Interpretation: in the above chart shows the requirements for the employee participation in decision making and the most selected one is the employee skills it goes for 33.33% and the last one is right skill and knowledge and the percent is 8.89%.

## CONCLUSION AND RECOMMENDATION

The impact of employee participation in decision-making to increase the performance of the organization is an important and huge topic. This topic has been studied by many researchers from several different sides. They also studied the subject using the factors that affect the employee's participation in decision-making. Also check the extent of the impact of these factors on the organization, which is State Bank of India. Many data on the subject were collected and these data were studied in detail and their relationship to factors and variables. These key factors are: Career development, pay structure, cultural diversity, employee recognition, performance, learning culture, remain in the work place, job security, employee commitment. This study was conducted in the banking sector, which is State Bank of India. The studies showed that the aim and objectives coincide with the results of the research that was conducted. The results also show the existence of a relationship between the employee's participation in decision-making and the increase in the employee's productivity. In addition, demographic factors showed that gender, age, ethnicity, work level and qualifications are related to the employee's participation in decision-making by increasing the productivity of the organization. The results of the questionnaire showed that the number of males is more than the number of females in the organization. Moreover, the highest factor influencing the employees in order to participate in decision making is Career development. The least factor influencing the employees in order to participate in decision making is employee recognition. Good High payment had encouraged the employees to participate in decision making, and around 47% of employees were strongly agreed. Encouraging employee participation in decision-making helps by increasing the productivity of the organization significantly, making the organization more effective and developing.

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