



Effect of Employee Participation and Empowerment on Effective Decision Making: A Study of Kano Electricity Distribution Company (KEDCO)

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Abstract

It needs not to be forgotten that the success and competing power of organization depend on committed, highly motivated, satisfied and innovative human resources. While discussion of employee participation and empowerment has been prevalent in the popular literature for many years, however, this concept needs to be an ongoing study by researchers due to rapidly changing business environment. The main aim of the paper is to find out the effect of employee participation and empowerment on effective decision making in Kano Electricity Distribution Company (KEDCO). The research used closed ended questionnaire, in which a sample of 80 out of 100 employees were selected as the respondents using Morgan's table. Questionnaires were filled and return. Correlation and regression analysis was taken through Statistical Package for Social Sciences (SPSS). The result found that, there is a significant relationship between employee participation and empowerment on effective decision making in KEDCO. As a result of that, the study recommended that the management of KEDCO should make more information available to employees toward making them to participate fully in decision of the organization. The study further

recommended that the employees should also be empowered to serve as the basis of their motivation and satisfaction in the organization. By doing so, the organization would continue to have more effective decision which will lead to the competitiveness of the organization.

Keywords: *Employee Participation, Employee Empowerment, Effective Decision*

Introduction

Currently organizations are working in very competitive and uncertain dynamic environment, which requires organizations to be flexible, acquire and adapt new knowledge, new technologies and new processes to introduce new products, services, cut costs, act faster than competitors and remain competitive. Creativity has been argued to be necessary for organizations to gain competitive advantage. Oldham and Cummings (1996) cited in Zubair, Basher, Ahmad and Shaher (2015) stated that when employees act creatively, they generate unique ideas on which organization can capitalize by developing and implementing the suggested new product, process or procedure. Maintaining a place in this competitive era becomes not only the responsibility of the owners or leaders of the organization but that of the employees (Oke and Olughor 2014)

cited in (Erengwa, Nwuche and Anyanwu 2017).

Organizations encourage employee participation and creativity as means of changing workplace and aggressive market. Organizations should encourage participation and creativity as means of continuity. Many companies seem to make effort by offering reward for new or ingenious clue to it workforce which overtime has lacked regulations attempt (Serkan 2009). Therefore, Employee participation is the involvement of more employees to have access to certain arrangement and decision (Shelly, 2007; Erengwa ,Nwuche and Anyanwu 2017).

Participation in decision making affects job satisfaction, employee's performance, organization's productivity, employee's motivation and organization commitment (Alutto

and Belasco 1972) cited in (Zubair, et al 2015). And all of these variables have significant impact on creativity (Muindi, 2011; Bhuiyan, 2010, cited in Zubair, et al 2015). One way for organization to become more innovative is to exploit on their employees' ability to innovate. This is even more helpful when employees are given the opportunity to express their expertise through empowerment that will lead to an increase in their job satisfaction, and thus, will become more committed towards their task. Employee empowerment is becoming more relevant in today's competitive environment where knowledge workers are more prevalent (Wimalasiri and Kouzmin, 2000), and organizations are moving towards decentralized or organic type of organizational structures (Jarrar and Zairi, 2002) cited in (Lim & Lau 2017).

According to Ugboro and Obeng (2000) individuals have been found to have an intrinsic need for empowerment as the capacity to influence and control their environment and strive for greater self-determination. Employees can help to improve business performance through their ability to generate ideas and use these as building blocks for new and better products, services and work processes. Therefore, under new work conditions to create value, every organization has to seek, generate, distribute and apply knowledge (Amar, 2004) cited in (Lim & Lau 2017).

Employee empowerment does not mean that management abandon from its responsibility of performance or for leading the organization. Rather, in an employee empowered organization, management's responsibility comes to create and foster an environment in which it is apparent that employee input is desired and cultivated. The management must trust and communicate with employees. When employees are empowered, their confidence degree and self-reliance will increase. This extra confidence is a good thing because it creates job satisfaction and high levels of productivity (Amir and Amen 2014).

Some of the limitations observed in the previous researches involve the scarcity of researches on employee participation and empowerment in Nigeria. Furthermore, none of the researches at our dispersal was conducted on employee participation and empowerment on effective decision making in organizations. Based on that therefore, the study will centered at filling the identified gaps.

Research Objectives

The main aim of the paper is to find out the effect of employee participation and empowerment on effective decision making in Kano Electricity Distribution Company (KEDCO). In order to achieve the mentioned objective, the following specific aims need to be addressed:

1. To examine the effect of employee participation on effective decision making in Kano Electricity Distribution Company (KEDCO).
2. To determine the relationship between employee empowerment and effective decision making in Kano Electricity Distribution Company (KEDCO).

Research Hypotheses

1. H1: Employee participation has effect on effective decision making in Kano Electricity Distribution Company (KEDCO).
2. H2: There is a relationship between employee empowerment and effective decision making in Kano Electricity Distribution Company (KEDCO).

Conceptual Clarification and Literature Review

Participative Decision Making

For a decision to be effective, hard choices need to be made among or between multiple alternatives. The broader term decision-making is defined by Stoner, Freeman and Gilbert (1995:239) as a process of identifying and selecting a course of action to deal with a specific problem or take advantage of an opportunity. It is a process by which managers respond to the opportunities and threats that confront them, by analysing the options and making determinations, or decisions, about specific organisational goals and courses of action (Jones, George & Hill:196). Participative decision making is a managerial strategy which has been argued to affect the performance, organization commitment, turnover, motivation and satisfaction of the employees, organization productivity. Organizational commitment has positive influence on employee's creativity. Employees who participate in decision making have positive attitude toward the organization and are committed to their jobs and organization. A significant and positive impact of job satisfaction exists on employee's creativity and significant strong positive relation exist between participation in decision making and job satisfaction. There is a significant relationship between employee involvement in decision making and firm's

performance. Participation in decision making results in satisfaction of employees and increase in productivity and profit (See Zubair et al 2015).

Employee Participation

Employee Participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal (Wagner, 1994). Employers seek productive efficiency but many of them fail to recognize that the means to this is increasingly locked in the heads of the people they employ. Again, the rise of global institutions presents other problems for workers as corporate decisions become more distant from the staff that they concern. A decision made to close a plant in one country may have been made many thousand miles away with little opportunity for indigenous employees to contribute or even question decisions that dramatically affect their lives (Doyle and Nathan, 2001; Felstead et al., 2003) cited in (Erengwa ,Nwuche and Anyanwu 2017).

Employee participation can therefore be seen as an umbrella title under which can be found a wide range of practices, potentially serving different interests. Any exploration of employee

Participation has therefore encompass terms as wide-ranging as industrial democracy, cooperatives, employee share schemes, employee involvement, human resource management (HRM) and high-commitment work practices, collective bargaining, employee empowerment, team working and partnership. Participative decision making is a managerial strategy which has been argued to affect the performance, organization commitment, turnover, motivation, satisfaction of the employees and organization productivity (Zubair et al 2015). Participation improves organization performance, employee's satisfaction, motivation and decreases the turnover rate, that's why involving employees in decision making will increase employee's creativity (Samaneh and Ahmad 2014; Zubair et al 2015).

Some authors insist that participation must be a group process, involving groups of employees and their boss; others stress delegation, the process by which the individual employee is given greater freedom to make decisions on his or her own. Some restrict the term participatio to formal institutions, such as works councils; other definitions embrace informal participation, the day-to-day relations between supervisors and subordinates in which subordinates are allowed substantial input into work decisions (Erengwa ,Nwuche and Anyanwu 2017).

Dimensions of Employee Participation

➤ Team Work

In almost every company or organization, teamwork plays a vital role in getting things accomplished. It is an effective way to reduce the organizational hierarchy and increase the employee involvement. According to Quick and Nelson (2003), teamwork involves people with complementary skills who share common mission and goal (See Erengwa ,Nwuche and Anyanwu 2017). Teams carry a variety of purposes (e.g., learning, producing a product, solving problems and gaining acceptance).

➤ Information Sharing

In the current information-driven and technologically based global economy, organizations are becoming increasingly dependent on the cumulative knowledge of their employees, suppliers, customers, and other key stakeholders. An organization's ability to share this knowledge among organizational members is key to its competitive advantage (Bock, Zmud, Kim, and Lee, 2007; Brown and Duguid, 2000; Small and Sage, 2006; Hatala and Lutta, 2009) cited in (Erengwa ,Nwuche and Anyanwu 2017).

Formal and Informal Participation

➤ Formal Participation

In simplest terms, formal participation relates to codified or prearranged structures (Barry, Wilkinson, Gollan and Kalfa, 2014; p. 534). Examples range from conventional collective bargaining covering wages and other terms and conditions of employment to more workplace-level and work-focused bodies that have in some instances helped fill the void left by unionization's decline, including works councils, plant safety committees, and quality circles. In the case we will present, the organization calls its formal participative bodies unit-based teams (UBTs), structures that provide front line workers the chance to meet regularly offline to analyze workflows and to improve the work processes that influence performance outcomes.

➤ Informal Participation

We define informal participation as the day-to-day relations between supervisors and subordinates in which subordinates are allowed input into work decisions (Marchington and Suter, 2013, p. 286). In this dimension, the participation is less structured.

Employee Empowerment

The need for changing the administrative work styles became more urgent especially with the beginning of the millennium; this need resulted from the accelerating technology development and information explosion (Shih and Tsai, 2016) as cited in (Shadi et al 2016). The modern organizations also started seeking to change their management of human resources by following the strategies that focus on human resources which appeared through the development of managerial ideology, in a way that goes with the changes in order to gain the loyalty and affiliation of the individuals to achieve the organization's goals (Meyerson and Dewettinck, 2012) as cited in (Shadi et al 2016). In addition, the competitive environment of the organization increased the speed and average in which organizations require the innovation in order to sustain and enhance its competitive position. The managers of modern organizations should keen to develop the abilities of employees in problem solving and participation in decision making (Meyerson and Dewettinck, 2012). Employee's empowerment is one of the ways that increase the organization's ability in improving, developing, and using the talents of the employees, and it is considered as a tool to enhance the employees in formulating their innovative ideas.

Employees' empowerment can be defined as providing the employees with the information and power and the required resources to achieve the organization's goals (Meyerson and Dewettinck, 2012). Mohamadeya indicated that employees' empowerment increases the employees' motivation to work by delegating the powers to the lower levels in the organization (Mohamadeya, 2016).

Employees empowerment can be effective in reducing the work pressure, it helps the individuals to deal with the conditions that require a high effort, because it provides them with important resources like; independency, participation in decision making, and competency, it also leads to having a positive effect for the roles of the employees (Abou Elnaga and Imran, 2014). Savery and Luks (2001), indicated the positive effect of employees'

empowerment on the self confidence of the employee, and that it gives the employees a sense of what they offer to their organization, which increases the productivity. Employees' empowerment can also be considered as a tool to enhance the ability of organizational change and employees' participation, it also opens the door for trying the innovative abilities of the employees, gives them flexibility, independency, and increase the employees' self respect.

Delegation of Authority, giving up on the powers to the employees to perform certain duties or the process when the manager gives some of his powers for the employees who have the required experience and give them the required space for performing these duties, and they should be accountable for their actions, as cited in (Shadi et al 2016).

Employee empowerment creates a sense of belongingness and ownership towards the parent organization. In addition, they feel more confident and tend to give their best to their employer, which leads to improvement in service quality (Naeem and Saif, 2010). Generally, empowered employees are more motivated as compared to those who just follow the given lines (Naeem and Saif, 2010) as cited in (Lim and Lau 2017).

Employees' Empowerment and Employees' Performance

Employees' Empowerment (EE) means giving the employees the powers and responsibilities,

and encourage them to participate in decision making and enrich them with the confidence and freedom to perform in their own way without direct involvement of the management, mainly it strengthens the relationship between the management and the employees, help encouraging the employees and enhance them to participate in decision making, and break the ice between the management and the employees, that makes the attention paid to empowerment a basic element in the success of the organizations (Awamleh, 2013) cited in (Shadi, Abdallah, Ali and Ali 2018).

Simard and Rice (2007), indicated that the excellence in the performance can occur by encouraging the employees, provide them with the resources, and delegate the powers to them, granting them the freedom includes avoiding the over control, and give them the chance to share their opinions, take their decisions, and do their work. Thus, we can see that when the indicators of employees' empowerment are enhanced, the organization will be finest, because the employee will be more loyal to the organization, and puts all his efforts to

serve it (Meyerson and Dewettinck, 2012) as cited in (Shadi et al 2016). Shih and Tasi (2016) added that the empowerment aims at satisfying the employees toward their jobs, their organizations, and then make them to perform better, that is also applicable on the moral and psychological status. Empowerment is also considered an administrative strategy used to reach high efficiency and increased effectiveness.

Advantages and Disadvantage of Employee Empowerment

Many organizations seek to unleash staff potential by empowering their employees. However there are some of disadvantages when it comes to empowering employees stands for increased participation and when there are many people involved in decision making, the process certainly slows down. Inputs and feedback starts pouring from each side. It takes time to verify the accuracy of measurements which means that decision making will be slowed down. Empowerment bring many positive result for the company like, quicker response to customer, communication and teamwork, employees participate in creating their own goals; increased employee contribution; increased respect among employees; increased power equals lower absenteeism and better productivity; employees have more satisfying work; an increased depth of competence among employees secondary to cross-training; less conflict with administration and managers; fewer middle management positions means decreased cost to the company. Employees are more likely to agree with changes if they participate in decision making (see Amir and Amen 2016).

Empirical Review

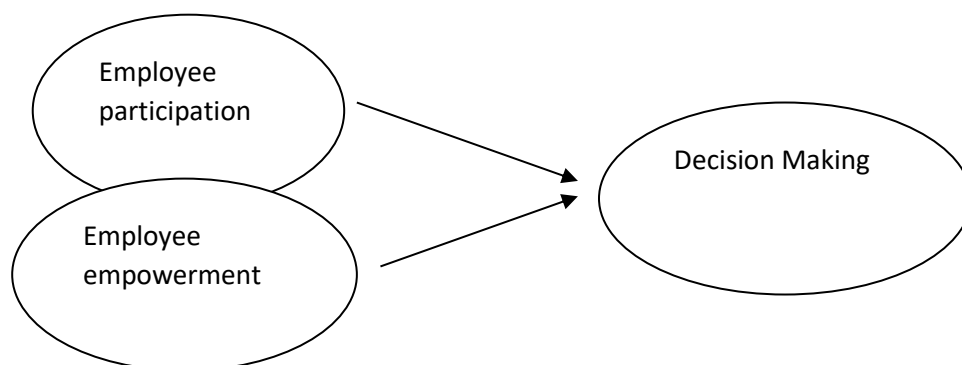
Several literatures on the effect between employee participation and empowerment have been reviewed and the found significance relationship between the variables. In the study of (Emamgholizadeh, Matin & Razavi 2011) in the telecommunication industry of Iran the result of the analysis showed that, overall evaluation of all the research correlation suggests that all dimensions of empowerment are significant in aggregate. Specifically it demonstrates the importance of the empowerment construct in this study being affected by employee's participation in decision making. Employees believe they are better off because of participation in decision making and the organization also gains through the positive impacts on task and performance effectiveness.

In another study conducted, theoretical by (Elnaga & Imran 2014) on the impact of employee empowerment on job satisfaction, in the Toyota company the result indicated that there is high relationship between employee participation and empowerment in the performance of organization and also it makes the employee of the organization being creative in all their activities.

In another vein, the study of Wadhawa and Verghese (2015) showed that there is significance positive relationship between employee empowerment and employee satisfaction in an organization. From the empirical study of Irawanto (2015), in the state owned enterprises in Indonesia the result of the analysis showed that relationship exists between participative decision and employee satisfaction and motivation. The result indicated that employees will be satisfied with their job and they will be committed towards the development of the organization. Employees believe they are better off, because of participation in decision-making and the organization also gains through positive impact on carrying out tasks and performance effectiveness. The research finding supports the position that participation achieves positive results in organizational commitment.

The study of El-Demerdash and Obied (2016), in their study of Influence of Empowerment on Nurses' Participation in Decision Making they found that majority (93%) had low level of actual Participative Decision Making and there was statistically high significant correlation between nurses' empowerment and Participative Decision Making.

Research Frame Work



Source: Researchers

The above frame work represents the independent variables of the study which are employee participation and empowerment and the dependent variable which is decision making. This hypothesized that the independent variables of the research (employee participation and empowerment) are dependent on the dependent variable (decision Making).

Methodology

Research Design

The research used descriptive research design in trying to address the research under study. The descriptive survey design was employed to ensure that data are actually collected from people who are in the right position to provide such information.

Population, Sample and Sampling Techniques

The number of people which the research is conducted upon is the entire staff of KEDCO at Sabon Gari branch, Kano state, Nigeria that is totaling to 100 staff. A sample of 80 staff is selected using Morgans table of sampling size. A convenience sampling technique was used. This is because the researchers do not have the sampling frame.

Research Instrument

The instrument used for the research is questionnaire. The questionnaire is closed ended and used Likert five scales. The questionnaire method as instrument of data collection was used because; it provides wider coverage to the sample and also facilitates collection of a large amount of data (Paulhus & Vazire, 2007).

Method of Data Analysis

The study used Pearson correlation and multiple regression method to analyze the data. This was achieved through Statistical Package for Social Sciences (SPSS). The research used correlation analytical technique to find out the existence of the relationship between the dependent (effective decision making) and the independent variable (employee participation and empowerment) with respect to KEDCO. Multiple regression in the other hand, examined how multiple independent variables of the research are related to the dependent variable.

Result

Reliability Statistic

Reliability Statistics	
Cronbach's Alpha	N of Items
.861	3

The table above shows that the data used is reliable for having a cronbach's Alpha of more than 0.7 (See (Pavet, Diener, Kolvin and Sandvick,1991).

Correlation Analysis

Correlations		SEP	SEE	SEDM
SEP	Pearson Correlation	1	.540**	.634**
	Sig. (2-tailed)		.000	.000
	N	180	180	180
SEE	Pearson Correlation	.540**	1	.718**
	Sig. (2-tailed)	.000		.000
	N	180	180	180
SEDM	Pearson Correlation	.634**	.718**	1
	Sig. (2-tailed)	.000	.000	
	N	180	180	180

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

The above correlation table shows that the independent variables (employee participation and empowerment) are positively and strongly related with effective decision in KEDCO for having an r of 0.634 and 0.718 respectively (See Cohen 1988). Furthermore, the p-value is 0.000 with is less than 5 percent showing that the null hypothesis should be rejected there by accepting the alternative hypothesis which state that, employee participation and empowerment have effect on effective decision making in Kano Electricity Distribution Company (KEDCO).

Regression Analysis

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.776 ^a	.602	.597	1.23217	1.998

a. Predictors: (Constant), SEE, SEP

b. Dependent Variable: SEDM

The above table shows a Durbin –Watson of 1.998 with is within the range and an r square of 60 percent indicating that the independent variables (employee participation and empowerment) contributed 60 percent to effective decision making while other variables not covered here contributed the remaining percentage.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	405.822	2	202.911	133.649	.000 ^b
	Residual	268.728	177	1.518		
	Total	674.550	179			

a. Dependent Variable: SEDM

b. Predictors: (Constant), SEE, SEP

The ANOVA shows a p-value of 0.000less than 5 percent indicating that the model for the study fits the research.

Findings

The research found that employee participation and empowerment are positively and strongly related with effective decision in KEDCO for having an r of 0.634 and 0.718 respectively. Furthermore, employee participation and empowerment contributed 60 percent to effective decision making while other variables not covered here contributed the remaining percentage.

Conclusion

The research concluded that there is a strong and positive relationship between employee participation and effective decision, and also between employee

empowerment and effective decision. The research further posited that employee participation and empowerment have strong effect on effective decision making in KEDCO.

Recommendation

1. The study recommended that the management of KEDCO should make more information available to employees toward making them to participate fully in decision of the organization.
2. The study further recommended that the employees should also be empowered to serve as the basis of their motivation and satisfaction in the organization. By doing so, the organization would continue to have more effective decision which will lead to the competitiveness of the organization.

Suggestion for Further Research

Future researchers should study these variables using probability sampling techniques for more generalization.

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