Employee Participation - An Integral Part Of Organisational Commitment

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ABSTRACT

This research measures relationship among employee participation and organizational commitment in targeted organizations. Organizational Commitment is measured through open interval model results, rational model results and human relations model results. Data collected from Textiles, Pharmaceutical and Telecom companies operating in Mumbai by using questionnaire with sample size of 219. Correlation and regression analysis is used to establish relationship amongst the variables and to prove the hypotheses. Results confirmed that Organizational Commitment increases when there is active participation of employee in organizations. Organizations which delegate the authority to employees perform well as compared to those who don’t. Organizations who allow their employees to work in teams proved/shows more performance level than those who have non-team based/individualistic structure. This study has identified two kinds of direct participation which is associated with organisational commitment. It therefore has clear significance for proving a positive relationship between Employee participation and organisational commitment. The outcome of this research supports the argument for more participation of employees in decision making and work autonomy. No negative effect of Employee participation was found to exist in either prior research or this study.

Key words: Employee Commitment, Employee Participation

1. INTRODUCTION

In the last two decades, organizations have joined views on the inclusion of the employees directly in decisions, instead of indirectly through trade unions. In modern organizations, there is a tendency of democracy to focus on the participation of employees and the appreciation of the work of bureaucracy replace human capital (Shen, J. 2011). Numerous studies show that the appreciation of the views of employees for the best performance of the Organization (Cardy, R. L., Miller, J. S. and Ellis, A. D. 2007). The new style of leadership focuses on sharing the workers skills and potential through participation in the influence on the decisions of organizations at various levels to improve the results of work Phipps, S. T., Prieto, L. C. and Ndinguri, E. N. (2013) Globalization of markets has been the rivalry between the companies win more market share better around the world. This led to companies taking into account organizational performance pull best policies and practices, at the same time achieve competitive advantages to increase. Innovation is a key success factor for companies in different industries. Change the values of the employees and the use of high technology have affected today, at work and the need for human skills.

Participation in decision-making, are employed in the autonomy and the exchange of results of information and new ideas in an innovative global environment within the Organization (Yang, Y. and Konrad, A. (2011).

Organizations that can leverage their people's strengths will be stronger and more aggressive than those who cannot. Businesses that regard people as automatons or mere cogs on a wheel will never
realize their full potential. In the long run, the inefficiencies of these firms attract competition and,
unless the management philosophy changes, they will disappear (Apostolou, 2000)

When any organization wants to create an optimistic work atmosphere based on high faith, excellent
customer service, joint cooperation, operational excellence and innovative problem solving, then the
management group must begin to appreciate, spend and be receptive to the desires of the group that
represents the most prized possessions of the business, and is also one of its most significant clientele,
workers

The participation of workers is creating an atmosphere in which the community has an impact on the
decision and the events that affect their work. Employee participation is not the goal nor is it an
instrument, as many associations experience. Rather, employee participation is the attitude of
organization and leadership on how people are better able to donate. There is at the end of the day only
one thing that distinguishes one corporation from another - its employees. Not manufactured goods,
not service establishments, not the process, not secret element; eventually any of these can be changed.
The Japanese have forever documented this and is one of the causes of their achievement in the global
market - they put a wonderful value on adding the population for managerial purposes, tools and
procedures (Apostolou, 2000)

1.2 OBJECTIVES OF STUDY

This study has following main objectives:
I. To study the employee’s participation in Textiles, Pharmaceutical and Telecommunication sector
   companies in Mumbai.
II. To study the employee’s participation and its significance on organisational commitment in
    Textiles, Pharmaceutical and Telecommunication sector companies in Mumbai

1.3 HYPOTHESES

Based on the study aim and objectives, the following hypotheses can be formulated:
H0: Employee Participation has not direct and positive association with employees commitment
towards their organisations.
H1: Employee Participation has direct and positive association with employees commitment towards
their organisations.

2. LITERATURE REVIEW

2.1 EMPLOYEE PARTICIPATION

Apostolou, (2000), The participation of workers is a procedure to authorize workers to contribute in
making decisions appropriate to their rank in the association. The participation of workers has taken
many forms, counting the method of work design and a particular behavior as the quality of working
life.

Timming, A. (2012), The term employee participation has been used by many authors to indicate
Employee Participation as it refers to the same concept. For example, employee participation in unions
through representatives is a type of employee participation that is also an employee involvement
approach.

In addition, some authors combine both participation and involvement to indicate the involvement of
employees, and the term "employee participation and involvement" is used when referring to the
information exchange in the organization and the participation in decision-making processes
Employee participation (EP) is conceived as a process of developing a "sense of psychological ownership among members" and is carried out through the involvement of employees in information processing, decision-making and / or problem solving. (Kearney, 1997)

2.2 ORGANISATIONAL COMMITMENT

Blau, G. and Boal, K. (1987) The clear understanding of organizational commitment and its implications will provide better behavioral enhancements. Of course, negative attitudes such as high loss and low productivity are seen as the consequences of a weak work commitment that is not desirable for any organization. However, in order to avoid these settings, the causes of such behavior should be identified and managed properly. Employee Involvement is seen as one of the effective ways to uphold the organization's high commitment.

Appelbaum, S. H., Louis, D., Makarenko, D., Saluja, J., Meleshko, O. and Kulbashian, S(2013), The positive influence of Employee Involvement on organizational commitment has been studied by many empirical research. These studies have shown that there is little or no employee participation in the decision-making process. In their work there will be less engagement of employees.

3. METHODOLOGY OF RESEARCH

3.1 SAMPLE DETAILS

Consequent upon successful result of the pilot study, four sectors were chosen including Telecommunication, Pharmaceutical and Textiles sectors companies in Mumbai. It was ensured that at least fifty questions are included from each component of the sample. Two hundred and fifty questionnaires were sent to the targeted groups. These questionnaires were sent through mail and in some of the places these were delivered in person. Coordination visits with the Human Resource departments were also paid to clarify the contents of these questionnaires to facilitate the sample group in its filling. Target was set to receive back the data within fifteen days. A total of 219 questionnaires were received making 87% success rates. The respondents were given confidence that the information obtained in the questionnaires would be kept as confidential, therefore they could feel confident to express their opinion without fear and concern.

4. RESULTS AND DISCUSSION

Out of those 219 individuals, 63.5% were males and remaining 36.5% were females. According to age groups, 37.7% were from 20 to 30 years of age, 38.3% were 31 to 40 years of age, 19.7% were 41 to 49 years of age and others around 4% were more than 50 years of age. According to education 12.6% were under graduate, 51.4% were at graduate level and 36% were at master level.

| Table No 1. Descriptive Analyses of Employees Participation and it’s effect on organisational commitment |
|---|---|---|---|---|
| Variables | Items | N | Mean | Std. Deviation | Cronbach Alpha |
| Organizations Commitment | 07 | 219 | 3.4268 | .70794 | .81 |
| Employee Participation | 15 | 219 | 3.2941 | .65532 | .84 |

4.1 INTERPRETATION

Table No. 1 indicates analysis of Employees Participation and organization organisational commitment. The Cronbach Alpha value of both Organizations Commitment and Employee Participation are 0.81 and 0.84 which higher than 0.7, from these results it can be seen that all items used to measure Employees Participation and organization organisational commitment are reliable measures, since a high level of internal consistency is evident. Thus, all these variables can be used to test for correlations and regression analysis.
Table No 2. Correlation Analyses of Employee Participation and Organizations Commitment with their elements

<table>
<thead>
<tr>
<th>Variables</th>
<th>Open Interval Model Results</th>
<th>Rational Model Results</th>
<th>Human Relations Model Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.426**</td>
<td>.322**</td>
<td>.326**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Frequency (N)</td>
<td>219</td>
<td>219</td>
<td>219</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.391**</td>
<td>.509**</td>
<td>.233**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Frequency (N)</td>
<td>219</td>
<td>219</td>
<td>219</td>
</tr>
</tbody>
</table>

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

4.2 INTERPRETATION

Pearson correlation was used to analyze the results of employee participation along with its three elements and their impact on organizational commitment. The result shows that is employee participation positively correlated with Open Interval model results, Human Relations Model results, Rationale result Model results and overall organizational Commitment. The values of person correlation coefficient are .426, .322, .326 and .509 respectively and the relation is significant at 95 % confidence level.

Table No 3.: Regression Analysis of employee participation and Organizations Commitment in Textiles, Telecommunication and Pharmaceutical Sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Coefficient</th>
<th>Beta</th>
<th>Std. Error</th>
<th>t-Value</th>
<th>F-Statistic &amp; Sig.</th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles Sector</td>
<td>Commitment</td>
<td>1.196</td>
<td>.342</td>
<td>3.502</td>
<td>57.421</td>
<td>.550</td>
</tr>
<tr>
<td></td>
<td>Participation</td>
<td>.716</td>
<td>.094</td>
<td>7.578</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Telecommunication Sector</td>
<td>Commitment</td>
<td>.160</td>
<td>.465</td>
<td>0.344</td>
<td>17.944</td>
<td>.495</td>
</tr>
<tr>
<td></td>
<td>Participation</td>
<td>.941</td>
<td>.150</td>
<td>6.266</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Pharmaceutical Sector</td>
<td>Commitment</td>
<td>1.602</td>
<td>.417</td>
<td>3.842</td>
<td>4.459</td>
<td>.419</td>
</tr>
<tr>
<td></td>
<td>Participation</td>
<td>.560</td>
<td>.118</td>
<td>4.755</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

4.3 INTERPRETATION

In Table No. 3, results for participation of employees in pharmaceutical, Telecommunication and Textiles industry have been analyzed. Regression analysis results as regard to involvement and organizational performance reveals that R Square in Telecommunication, Textiles and pharmaceutical industry is .495, 550 and .419 respectively. Results in above stated table demonstrate that positive correlation exists among employee participation and organizational commitment. It shows that model is significant at the 95% of confidence level (p<0.05). As regard to regression coefficient analysis,
result indicates Involvement is .716, 0.941 and .560 of Textiles, Telecommunication and Pharmaceutical Sector.

The result reveal that in Textiles sector 53 percent change in a positive direction is experienced through participation of employees. 68 percent change is envisaged in pharmaceutical sector by participating employees in the organizational objectives. However, Telecommunication sector 94 percent perceives change on account of participation of employees. Results reveal that 7.578, 6.266 and 4.755 are t-value which discloses relevant importance of Involvement for Organizational commitment in Textiles, Telecommunication and Pharmaceutical sectors respectively.

5. CONCLUSIONS

This study has identified two kinds of direct participation which is associated with organisational commitment. It therefore has clear significance for proving a positive relationship between Employee participation and organisational commitment. The outcome of this research supports the argument for more participation of employees in decision making and work autonomy. No negative effect of Employee participation was found to exist in either prior research or this study.

After having literature review and analysis of all results it is proved that employee participation has relationship with organizational commitment. Employee participation have significant and positive impact on organizational commitment. Organizations which delegate authority to employees perform well as compared to those who don’t delegate. Organizations who allow their employees to work in team have more performance level than those who have non-team based structure.

By reviewing the above research, it is recommended that organizations must include employees in decision making and use all three components of employee involvement. Organizations must transfer power, adapt structures based on teams, and develop the capabilities of their employees to work well and compete in the market. Employee involvement has a strong impact on the organization's progress and growth; since then, organizations that direct improvements in their departments have to involve their employees at different levels of management.

6. REFERENCE


