



## Employee Voice and Its Effects on Organizational Productivity: A Case of KPLC Eldoret

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### Abstract

Quality and timely decision making is essential for the success of any firm. In fact, how an organization chooses to design its decision-making process is one of the most fundamental aspects of its internal design. A firm's ability to make good decisions is particularly important in the face of increasing global competition, and the greater uncertainty from exposure to more competitors. In many organizations, lower and middle level employees are not involved in decision making process. This is due to fear by the management that this would expose their weaknesses and their management strategies. However employee participation lead to a beneficial impact on quality, productivity and could deflect problems which otherwise may explode. In The Kenya Power and Lighting Company, there have been complains of delays of reconnection after disconnection and poor services among others which would be as a result of non-inclusion of lower level employees in the decision making process thus being demotivated. Therefore the study aimed at analyzing employee participation in decision making and its effects on organizational productivity. The study employed case study research design. The researcher adopted stratified and simple random sampling designs to select a sample. The study employed questionnaires in collecting data which was later analyzed through the use of descriptive statistics. Data was later presented in frequency tables and percentages. The findings established that the effects of employee participation in decision making on productivity at Kenya Power and Lighting Company are that it leads to varied options, enhances and improves quality services, gives broader perspective, and bring more alternative solutions leading to total customer satisfaction hence improved profits. Another benefit is that it enhances employee engagement. The major challenges associated with involvement of employee on decision making are that employees fear to air their opinions during decision making process, and that the organizational structures do not fully enhance employees' participation in decision making.

**Key words** - Participation, Decision Making, Organizations, Productivity, Voice and Employee Engagement.

### Introduction

Collective employee voice achieves what a lone voice could not do. It humanizes and civilizes the workplace. According to Prosser (2001), Collective representation is the foundation of a partnership relationship that brings positive benefits for the business.

Brickley et al (2004) described the assignment of decision rights, along with the reward system and the way performance is evaluated, as one the key aspects of an organization's architecture (or design). A firm's ability to make good decisions is particularly important in the face of increasing global competition, and the greater uncertainty from exposure to more competitors and a greater number more markets that this brings. In particular, we are interested how both product-market characteristics as well as the internal design of a firm affect the likelihood that an organization will choose to decentralize its decision making.

Several specific group decision-making techniques can be employed by organizations. Interacting group technique: Interacting groups is a decision-making group in which members openly and freely discuss, argue about, or agree on the best alternative. It is the least structured of the group techniques. Nominal group technique: More structured than the interacting group is the nominal group. Group members do not talk freely with one another. A group leader facilitates the decision process by describing the decision situation and asking for input from the participants. Alternatives are ranked, and a decision is chosen. Role-assigning technique: The role assignment approach lies between the extremes of the interacting and nominal group techniques. Two particularly important roles are the devil's advocate and the group facilitator. The responsibility of the group facilitator is to ensure that every group members feels free to express opinions, even controversial ones, and that no one person dominates the group. Delphi group is sometimes used for developing a consensus of expert opinion. The Delphi procedure solicits input from a panel of experts who contribute individually. Their opinions are combined and "averaged," (Brickley et al 2004).

In the Kenya Power and Lighting Company, major decisions are made by top management who include departmental heads and supervisors. This leaves out the support staff by not including their views in the final decisions made. Thus the study was set to determine the level of employee participation in decision making and how this will influence or affect organizational productivity

## 2. Literature Review

### Decision Making In Organizations

Decision making is an important process for organizational effectiveness. Decision making is almost universally defined as choosing between alternatives. It is closely related to all the traditional management functions. In the manufacturing area, effective decisions are aimed at achieving zero defects in recent years this focus has also been applied to the service sector in order to create zero defections. Decision making is an organizational process because it transcends the individual and has an effect on organizational goals. First the overall nature of the decision making is explored (Sadler, 1976).

The traditional and modern participative techniques are presented as behaviorally oriented decision techniques. Creativity in decision making can apply to individuals or groups. Since individual decision making has largely given way to group decision making in today, organizations, an understanding of group dynamics become relevant. In fact a no of social decision schemes have emerged. Decisions can be classified as either programmed or non-programmed. Programmed decisions are repetitive or routine and can be solved through clear-cut mechanical procedures, such as applying the rules to find the best solution. Up to 90 percent of management decisions are programmed. Non-programmed decisions are exceptional or non-recurring, and they are often made under crisis conditions which involve so much ambiguity that specific procedures or programs are not available. Therefore, managers who must make non-programmed decisions rely on judgment and creativity (Sadler, 1976).

We all are decision makers as well as we often had to make choice. Even in our daily life we have to make selections and choice. One way or the other we are force for making choices e.g. Ahmad has to select a computer-training centre, Mashood has to choose an employer, and Hamid has to decide upon the mode of making investment. These are all choice and hence involve decision making (Sadler, 1976).

In the context of an enterprise decision making pervades all its organizational activities, process, managements and systems. In a commercial enterprises decision making is all the more pervasive. It extent from the shop floor level to the supervisory level through the management level to the highest possible executive level; It's involved both the bottom personnel and top management in organization. A worker shutting down the lathe to smoke a cigarette is as much a part of organizational decision making system as the executive who decides the building of a new project costing million of rupees. Decision making is a difficult task. It is indeed a very complicated process. In the present day complex society it is not possible to specify the most appropriate courses of action for every situation. However the process of decision making can be simplified by establishing objectives, policies and procedures. These provide the guide line for the managers in making decision. Decisions are the means by which organizations turn ideas into action and can have a positive or a negative impact, (Sadler 1976).

### Employee Involvement Can Enhance Decision Making

Employee involvement is creating an environment in which people have an impact on decisions and actions that affect their jobs. Employee involvement is not the goal nor is it a tool, as practiced in many organizations. Rather, employee involvement is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization (Sadler, 1976).

How to involve employees in decision making and continuous improvement activities is the strategic aspect of involvement and can include such methods as suggestion systems, manufacturing cells, work teams, continuous improvement meetings, Kaizen (continuous improvement) events, corrective action processes, and periodic discussions with the supervisor. Intrinsic to most employee involvement processes is training in team effectiveness, communication, and problem solving; the development of reward and recognition systems; and frequently, the sharing of gains made through employee involvement efforts (Sadler, 1976)

### Participatory management and flexible work systems

By the 1960s many of these traditional principles of organization and work group design were being challenged by early advocates of participatory management. Arguments for enlarging the scope of responsibilities and influence of individual workers were presented as better means of motivating workers and increasing job satisfaction. While these ideas gained favour in a number of the new companies and high-technology industries that grew rapidly through the 1960s and '70s, it was not until the following decade that they began to gain support within older organizations in the manufacturing and service sectors (Pool, 2000).

Competition from other countries magnified the significant productivity and quality performance problems that most American firms faced in the 1980s. At the time, Japanese and some European firms outperformed their American counterparts by adopting flexible work systems and participatory management practices. Japanese manufacturing firms in particular had instituted practices such as quality circles that were designed to produce continuous improvement. These approaches, articulated first by Deming, relied on knowledgeable workers who were authorized to interrupt the production process when they detected defects (Deming, 2001).

The development and implementation of electronic and computerized technologies that began in the 1980s reinforced the need for flexibility in the work organization. Competitive pressures continued to break down many of the traditional dividing lines that had grown out of older and more restrictive job definitions.

Critics of the new technologies argued that these approaches essentially took jobs away from many clerical and blue-collar workers while also giving managers new methods for controlling employees and invading their privacy. For example, computers and surveillance cameras can monitor the work of machine operators and therefore serve as a new form of electronic supervision. This approach replaces the personal presence and control of the supervisor or production foreman. The introduction of new technologies also displaces and in some cases replaces personnel, posing a threat to the job security and economic well-being of the workers affected. Thus, a critical challenge facing managers, worker representatives, and public policymakers lies in the management of technological and organizational change that will benefit not only individual firms but also the work force and the larger society (Deming, 2001).

### **Union–management relations**

Of all the conflicts found in industrial organizations, those involving unions and management have received the most attention. Labour unions are the primary means workers have for advancing their collective interests at the workplace. Much of the history of industrial relations is filled with efforts on the part of workers to gain the right to organize into free trade unions that is, worker organizations that are controlled neither by employers nor by a government (Allan, 1990).

While the actual percentage of workers who are organized into unions varies considerably from country to country and over time within individual countries, it is safe to say that there is no democratic country in the world where independent trade unions are not present. Unions serve an essential role in a democratic society by giving voice to worker interests. The best evidence of the importance of this function is that unions are often among the first institutions along with the church and the press attacked by totalitarian regimes (Anderson, 1995).

Unions and union–management relations are also of special importance in that, through collective bargaining and other formal and informal means of interaction, unions and employers establish the wages, hours, and working conditions of large numbers of workers. In countries such as Sweden, Denmark, and Norway collective bargaining covers more than 80 percent of the labour force. In Britain, Germany, and Japan it covers between one-third and two-thirds. Even in countries like France or the United States, where less than 20 percent of the workers are unionized, collective bargaining often sets new patterns in wages and other conditions of employment that are eventually adopted by nonunion employers (Herzberg, 1996).

It should be noted that employers are often reluctant participants in collective bargaining. While the degree of opposition to unions varies among countries, this opposition is perhaps strongest in the United States, where employers have aggressively opposed unionization of their employees. This is one of the reasons why the right of employees to organize and bargain collectively is normally protected by law, (Herzberg, 1996).

The decades of the 1980s and '90s were a time of tremendous pressure for change in union–management relations around the world. This pressure came from increases in market competition within and between countries, the rapid rate of technological progress, the changing nature of the work force, shifts in jobs from highly unionized large manufacturing firms and industries to smaller, newer firms and service industries, and, in some countries, the election of governments less supportive of unions. As a result unions in the majority of industrialized countries have lost membership and continue to debate how best to adjust their strategies and practices to their changing environments. The following discussion, therefore, focuses both on the traditional union–management practices that have dominated relations since the 1930s and on how these practices have responded to pressures for change (Schein, 1992).

### **Managing employees' progress**

To create successful incentive programs, it's important to manage each employee's progress. This is most easily done with an automated human resources (HR) management system (Kaplan, 2003).

HR management solutions can help companies fulfill the potential and increase the loyalty of its workforce while minimizing the cost and complexity of administering salaries, benefits, recruiting, and performance management.

Company decision-makers must be able to assess and drive their peoples' performance to ensure that they align with business goals. Human resource management tools can show which employees are doing which jobs and the percentage of employees in each position, define opportunities for improvement and growth, and organize the teams and business groups that have the highest potential for success (Armstrong, 2006).

Automated HR management systems also give each employee control of their personal information and career path. Your people can easily access contact records, time-off tracking, performance review files, individual payroll data, benefits updates, and other information that matters to them. At the same time, in taking care of many basic needs and functions without assistance, employees help streamline human resources administration.

There's another benefit to automating HR management. Automation and the smart use of software tools can greatly simplify administrative tasks and help control costs. The software can streamline payroll processing, improve the efficiency and fairness of recruiting, hiring, and performance reviews, help ensure full compliance with government regulations and industry standards, and facilitate consistent, productive access to information and collaboration (Sarin, 2003).

"Clients want work done faster and cheaper," says David Hofferberth, managing director of Service Performance Insight, a Cincinnati-based research firm covering technologies that impact the services sector. "The fact is you have to have the resources available to do the work faster."

### 3. Research Design

The study applied a case study research design; as such it was an intensive descriptive and holistic analysis of KPLC Eldoret branch as a single entity. It was an investigation of single entity in order to gain insight into the larger cases. According to Oso (2005) in a case where the number of organizations that can be investigated are few, a small sample is available and an in-depth analysis is necessary, a case study is the most appropriate. The study investigated on effects of employee participation in decision making on organizational productivity.

#### Target population

The study targeted 100 employees from Human Resource department, who constituted of 1 Human Resource Manager, 4 Human resource departmental heads, 20 supervisors and 75 non managerial employees. The table below shows how the target population was drawn.

**Target population**

| Category               | Target population |
|------------------------|-------------------|
| Human Resource Manager | 1                 |
| Departmental heads     | 4                 |
| Supervisors            | 20                |
| Non managerial staff   | 75                |
| <b>Total</b>           | <b>100</b>        |

(Source (KPLC 2016)

#### Sample Design and Sample size

The researcher used stratified sampling technique to divide the population into different categories. According to Oso and Onen (2005) stratified sampling technique is a technique that identifies subgroups in the population and their proportions and select from each subgroup to form a sample. It groups a population into separate homogenous subsets that share similar characteristics so as to ensure equitable representation of the population in the sample. According to Ghoshi (1982) a minimum of 30% of the target population should be included in the sample when dealing with a heterogeneous sample. Simple random sampling design was used to select 50 % of the employees from different categories. In simple sampling technique, the sample is selected without bias to arrive at specific respondents from each stratum.

**Sample Size**

| Category               | Target population | Sample size |
|------------------------|-------------------|-------------|
| Human Resource Manager | 1                 | 1           |
| Departmental heads     | 4                 | 2           |
| Supervisors            | 20                | 10          |
| Support staff          | 75                | 37          |
| <b>Total</b>           | <b>100</b>        | <b>50</b>   |

(Source: Author 2016)

#### Data Collection instruments

These are written documents containing a series of questions to be answered in writing by the respondents. Questionnaires contained close-ended questions that were designed to elicit short and brief responses, as well as open-ended questions that gave room for free responses in the respondents' own words. The open-ended questions provided for greater depth of responses that was intended to reveal the respondents' opinion and clarify their responses to the close-ended questions. They also contained rating scales where the Likert scale was used to measure the respondents' perceptions and attitudes on employee participation in decision making and its effects on organizational productivity.

#### Validity and Reliability of Research Instruments

##### Reliability

Reliability is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. The test –retest technique was used to test the reliability of the research instruments; the test involved administering the same instrument twice to the same group of subjects with time interval of one to two weeks. The researcher observed that the instrument measure the research phenomena consistently i.e. the questionnaire was stable over time hence reliable

## Validity

According to Mugenda and Mugenda (1999), validity is the accuracy and meaningfulness of inferences, which are based on research results. The study applied content validity as a measure of the degree to which data obtained from the research instruments meaningfully and accurately reflect or represent a theoretical concept. The researcher gave a copy of the questionnaire to the supervisor to check if it represents all the objectives of the study. The questionnaire was found to be valid

## Data collection procedure

The researcher personally administered the research tools after a prior visit that assisted in refining timings of distribution of questionnaires. It also provided a rough picture of the respondents' expectations. The researcher agreed with the respondents when the research instruments were to be administered and specifically dates of collecting the questionnaires. Adequate time was given to the respondents to respond to the questionnaire.

## 4. Data Analysis

The study applied descriptive statistics to analyze data. This ensured that the data was analyzed in a systematic way in order to come to some useful conclusions and recommendations. Data obtained from the questionnaires, was coded, organized, analyzed and presented using frequency tables, and percentages.

### Effects of Employee Participation in Decision Making on Productivity at KPLC

The researcher was keen to determine how employee participation in decision making has affected productivity at KPLC. The results were tabulated as below.

#### Effects of employee participation in decision making on productivity at KPLC

| Effects   | Frequency | Percentage |
|---|-----------|------------|
| Leads to varied options                                     | 12        | 24         |
| Enhances improved quality services                          | 10        | 20         |
| It gives broader perspective and more alternative solutions | 20        | 40         |
| Leads to total customer satisfaction hence improved profits | 8         | 16         |
| <b>Total</b>  | <b>50</b> | <b>100</b> |

(Source: Author 2016)

The results indicated in the above table established that 12 or 24% of the respondents felt that the effects of employee participation in decision making is that it leads to varied options, 10 respondents or 20% of them cited that it enhances improved quality services. Majority of the respondents i.e. 20 or 40% of the respondents cited the effect as it gives broader perspective and more alternative solutions and 8 respondents or 16% of them indicated that it leads to total customer satisfaction hence improved profits.

## 5. Discussions of the findings

### Effects of employee participation in decision making on productivity at KPLC

The results indicated 24% of the respondents felt that the effects of employee participation in decision making is that it leads to varied options, 20% of them cited that it enhances improved quality services. Majority of the respondents i.e. 40% of the respondents cited the effect as it gives broader perspective and more alternative solutions and 16% of them indicated that it leads to total customer satisfaction hence improved profits.

## 6. Conclusion

There are various factors that influence employee participation in decision making at KPLC. Among these factors were, organizational policy influence employee participation in, nature or urgency of the issues at hand influence employee participation in decision making, employee position in the organization and employee experience

The effects of employee participation in decision making on productivity at KPLC are it leads to varied options, it enhances improved quality services, it gives broader perspective and more alternative solutions and it leads to total customer satisfaction hence improved profits.

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