EMPLOYEE INVOLVEMENT IN DECISION MAKING

BY

SUEN SAU CHUN

OPEN UNIVERSITY MALAYSIA

EMPLOYEE INVOLVEMENT IN DECISION MAKING

BY

SUEN SAU CHUN

Project Paper Submitted in Partial Fulfillment of the Requirement
For the Degree of Master of Management

Open University Malaysia
2007

ABSTRACT

The purpose of this project was to survey the extent of employee involvement in decision making process in a school. Participants were asked to complete the self-completion questionnaire. Dimensions such as years of service, preferred ways of communication, ability of leaders, self-efficacy, and opinions on working environment were set as measurements for making inferences to the extent of employee involvement, jobs satisfaction as well as the level of organizational commitment. The findings showed degree of employee involvement was common irrespective to years of service, and job satisfaction was significantly correlated to organizational commitment. Widespread of suggestion involvement among employees existed, but the Management monitored the final decision. In addition, the findings will be served as a basis for the Management to evaluate, improve and sustain a quality managerial competitiveness.

TABLE OF CONTENT

CHAPTER 5   DISCUSSION   53

CHAPTER 6   SUMMARY AND CONCLUSION   58

LIST OF TABLES

x

CHAPTER 1

INTRODUCTION

1.1   Background of the study

In accordance to the mission of the Ministry of Education of Malaysia (KPM), that is to develop a world-class quality system, the need for sustaining competitiveness and innovation drive in educational organizations has become increasingly important. Organizations (Werner, 2006) have placed special emphasis on productivity and quality. Widespread employee involvement, upper management commitment, and visionary leaders are factors cited for quality improvement in an organization.

The success of an organization lies more in its intellectual and system capabilities than in physical assets (Slater, 1995). The processes and ICT aspects of any organization are continuously changing, subject to daily improvement, and easily replicated by competitors. Employees are the only resource that cannot be duplicated (Thomas, 2002). Employees are the success in a changing, competitive organization. And, employees are also

the most difficult resource to utilize effectively. Bowen and Lawler (1992) take the view that an organization has to recognize the value of the human resource and initiates involvement efforts in the organizational and managerial process in order to maximize the effectiveness of each and every employee.

In other words, the continuing prosperity of an organization is likely to be enhanced by employees who hold attitudes, values and expectations that are closely aligned with the corporate vision (Bormann & Motwidlo, 1993; Spector, 1997; Cable & Parsons, 2001; Feldman, 2003;) Values and expectations are the critical part of human condition (McCoy, 1996) that forms the foundation of an organization. And values are created by satisfied, loyal and productive employees. These values establish moral conditions. During the decision-making process in an organization, values and expectations are the sounding board against which decision options are matched (McCoy, 1996). Hence, involving employees in decision- making process should be encouraged in an open organization.

Employee involvement has been closely associated with a discernible international trend towards employer/employee cooperation and social partnership. In this respect, the role of human resource management (HRM) is moving from the traditional command and control approach to a more strategic one (Oram and Wellins, 1995; Cane; 1996), and studies (Keller, 1995; Markey and Monat, 1997; Storey, 1992,) have highlighted

co-operation relies on building employee commitment, employee participation and employee involvement as elements for its critical success.

Employee involvement (Robert Rosen, 1994) contributes to a healthy company. A healthy company (Rosen) is more likely to retain and inspire healthy people; and healthy people are likely to build healthier, more productive company.

Contrary to a profit organization (Porter, 1974), where its management strategy is characterised by the level of importance given to cost efficiency, dependability, speed, and flexibility; in the non-profit organizations such as the public schools, they are challenged to meet a highly variable rate of demand with a constant rate of high quality service where the consequences of poor service (generally emphasis on quality and quantity of academic and non-academic performance, care, and safety of the environment) can result in customer dissatisfaction. That is, the schools are asked to provide high quality service to each customer in regardless of the customer's background and this presents a significant challenge in developing effective management strategies.

In the school, the leaders face many changes and challenges as they navigate their schools through complex and turbulent educational environments (*NCREL Report 4, 1994*). Head-teachers of schools need to be both good leaders and good managers. It is important that they do not

just replicate some formula for good practice year after year; they also need to reassess and redirect the schools to be successful. Schools leaders should envisage new strategies and approaches to reach for the climax of success

By taking employees' expectation, job satisfaction, organizational commitment, care, length of service as variables that influence the degree of employee involvement in the decision making process, this study aims to explore the extent of employee involvement in decision making in a school.

This study is believed to enable Management to examine the linkage between employee years of service and employee involvement in decision process, to realize the extent of its employee involvement in school and finally to use the information gathered for future successful planning of a higher extent of employee involvement in change management as a source of competitive advantage.

1.2   Problem Statements

It is believed that organization should place emphasis on cost leadership, differentiation, or focus in order to gain competitive advantage (Porter, 1989). According to McCoy, et. al., (1996) this approach goes awry because it is a static approach in today's economy that requires dynamic responsiveness in order to achieve a sustainable competitive advantage.

According to McCoy (1996) these three key strategic elements have to combine with a fourth element –involvement of employees. The addition of the new element, employee element (McCoy), results in a strategy with a dynamic level of flexibility. The involvement of employees are needed (Suzaki, 1993) because the industry is changing so rapidly. We require the wisdom of people (Suzaki) to determine the best move. Employees have the best information about quality (Mcshane, 2000) and they are more likely to know the ins and outs of every problem in their own community. Therefore, that is where employee involvement should come in.

Numerous studies have linked various types and forms of employee involvement and participation with job satisfaction (Griffeth, 1985), quality circles (Griffin, 1988) and work teams (Cordery, Mueller, & Smith, 1991). Researches have been conducted to verified that employee involvement in the process of decision making are dependent on factors like age, gender, intelligence, social class, family structure and dynamics, religiosity, temperament, and social/culture environment (Mann, Harmoni & Power, 1989; Strauss & Clark, 1992; Fuligni & Eccles, 1993; Schvaneveldt & Adams, 1983) but less on consideration like length of service of an employee (Scott, Reppucci & Woolard, 1995) and the discussion on linkage between year of service to job satisfaction.

Bishop, Scott, and Burroughs (2000) found that employees are willing to offer suggestions and inputs to their jobs if they are satisfied. The

rationale given by the research for an association of employee involvement and job satisfaction include: 1) employees inherently enjoy offering suggestions or input about their works, 2) having a voice or say in what affects employees personally enhances positive feelings like commitment and care about the job, 3) the effectiveness of participation depends on the capability and desire of employees Furthermore, the capability and desire of each and every worker to make good decisions, contribute ideas that support efficiency and take joy in working together cooperatively (Babicky 1996) influences the success of employee involvement, but little has been define on the meaning of capability and desire of workers (Scott,2000).

1.3 Research Questions

Base on the problem statements stated above, this study was guided by the following research questions,

1   To what extent do years of service of an employee in the workplace explain involvement in decision-making?

2   To what extent employee involvement in decision making process explains job satisfaction of the employee?

3   To what extent job satisfaction influences organizational commitment?

1.4 Objective of the Study

The general objective of this study is to examine the degree of employee involvement in the school in terms of percentage.

The specific objectives of this study are as follows:

1. To examine the relationship between years of service of an employee in the workplace to involvement in decision-making.

2. To examine the relationship between employee involvement in decision making process to job satisfaction of the employee.

3. To examine the relationship between job satisfaction and organizational commitment.

1.5 Significant of the study

It is difficult to measure the precise impact of this study, but it is believed that this study will be able to make significant contributions to the following areas.

The survey is aimed to focus on the long term competitive advantage of the organization and identifying positive environment (Storey,

1987) for employee involvement. The literature reviewed that an environment that allows employee involvement or participation converged to harness commitment to organizational objectives. And it can increase productivity, worker flexibility, and job satisfaction (Cordery, Mueller, and Smith,1991;Cohen, and Spreitzer,1996;Manz and Sims,1987;Versteeg,1990; Harris,1992).

The study gathers information for the Management which helps to contribute to the school management development system and bring out the general tendencies of the staff satisfaction and commitment based on the questionnaire survey. It also aims to point out the relevance of employee involvement in decision making and employee attitudes toward issues on management practices in the school.

1.6   Definition of terms

Employee participation and involvement

Any mechanisms designed to increase employee input into managerial decision making, for example the quality circle, the cross-functional team are structure for employee participation or involvement. (Chamberlain, 1948; Schregle, 1974; Thomason 1984).

Decision-making process

It is a reasoning process which leads to the selection of a course of action among alternatives taken. Every decision making process produces a final choice. It can be an action or an opinion. (Janis I., 1972)

Organization commitment

Loyalty or organization commitment refers to the employee's emotional attachment to, identification with, and involvement in a particular organization. (Marchington M, 2005).

Job satisfaction

. Locker (1976) defines job satisfaction as a pleasurable positive emotional state resulting from the appraisal of one's job experiences. It reflects an individual's feelings and evaluation toward his or her job and work context.

1.7   Limitation of the study

There are some limitations, which must be considered. First, the survey questionnaires were distributed only to teachers, clerks and laboratories' assistants excluding general workers in school. Due to time constraint, the general workers especially the security guides and gardeners were not included in the study.

Second, the findings were based on the use of self-reported survey data, which may be affected by response biases. The procedure and assessment discussed were based on whether a representative of items was developed.