

A Study on Employee Involvement towards Organization Effectiveness.

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ABSTRACT:

The purpose of this paper is to examine the extent to which employee involvement influences organizational effectiveness and to examine the extent to which employee involvement influences profitability, productivity, and market share. Design/methodology/approach - The correlational study was conducted as a cross-sectional survey. Research questionnaires were administered and interviews were held with managers in the organizations studied. A total of 388 managers were randomly drawn from a population of 13,339 managers of all the 24 banks in Nigeria. The independent variable, "employee involvement" was measured by empowerment, team orientation, and capacity development. The dependent variable, "organizational effectiveness" was measured by profitability, productivity, and market share. The measures all used a five-point Likert scale (ranging from 1=strongly disagree to 5=strongly agree) and Spearman's rank correlation statistical tool was used to test the hypotheses. Findings - The descriptive statistics of the study variables indicate that employee involvement positively influences organizational effectiveness.

I. INTRODUCTION:

One of the greatest underlying factors in the success or failure of any organization is the power of its people, and how well that power is focused towards meeting the organization's objectives. It is a common knowledge that every business organization depends on its effective functioning of human resources. The importance of this factor is due to its unique characteristics. Like, this is the only resource which is able to produce an output greater than its input. All companies operate on the strengths and weaknesses of their employees. Even in a fully automated factory, employees have to design, maintain, and operate

the systems that create output. Organizations that can tap the strengths of their people will be stronger and more competitive than those that cannot (Cooper, 2011). Organizations that regard people as automatons or mere cogs in a wheel will never realize their full potential. In the long run, such companies' inefficiencies attract competition, and unless the management philosophy changes, they will disappear. Employee involvement is a process for empowering employees to participate in managerial decision-making and improvement activities appropriate to their levels in the organization. Since McGregor's Theory Y first brought to managers the idea of a participative management style, employee involvement has taken many forms, including the job design approaches and special activities such as quality of work life (QWL) programs (Bond, 2004). There is at the end of the day only one thing that differentiates one company from another-its people. Not the product, not service establishments, not the process, not secret ingredients; ultimately any of these can be duplicated. The Japanese have always recognized this and it is one of the reasons for their success in world market they place tremendous value on the integration of people with organizational objectives, equipment and processes. The employees force the organizations to address three key issues; communication, involvement and development. In fact the three issues can be used as a measure of an organization's maturity in the employment relationship. Here, we are going to address the issue of involvement and its relationships. Many people confuse communication systems such as team briefings with involvement. Involvement, however is more than just the exchange of information. It is the gradual but radical delegation of control to those closest to the process itself. Selfmanaged teams, cell-based manufacture,

autonomous work groups, high performance work systems, are all examples of true involvement. The best way to obtain a genuine commitment from people is to involve them in the project from the beginning. Organizations operating with the involvement of their employees, have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision making process (Tesluk, 1999). Only a minority of organizations in industry could be truly said to be operating with the involvement of their employees, but the trend over the last 10 years has certainly been to move towards this direction, often following the link of inward investors such as the Japanese, Germans and Americans, and the opportunities presented by reconstruction and Greenfield sites. The 21st century business environment is fast paced and dynamic. Organizations are under pressure due to stiff competition. As such organizations must come up with strategies that will give them a competitive edge. Employee participation in decision making is one such strategy. Employee participation comes in many forms and varies from organization to organization. Studies have reported that employee participation has a positive impact on organizational performance. However, some studies have reported different findings. surmise that the cost of implementing participatory management systems may far exceed the actual return and therefore employee participation has very little impact on organizational performance. Today's business environment is rapidly changed with increasing turbulence and uncertainty. Such external circumstances do not allow reliable prediction of the future and creating long-term plans. Companies are under pressure to seek new strategies and to make quick decisions to overcome the changes. As the rate of change increases, so does the need for fast and immediate response, which implies higher organizational flexibility. Such conditions increase the importance of the involvement of talented employees and their input into the management process. Employees, who possess knowledge, skills and abilities, gain wider strategic importance.

1.1 OBJECTIVE OF STUDY

- To identify the factors affecting involvement of employee
- To analysis the factors affecting organization effectiveness through employee involvement.
- To analysis the relationship between employee involvement and organization effectiveness
- To identify the measures required for enhancement of employee involvement.

1.2 NEED FOR THE STUDY

- To study the level of job satisfaction, working environment, employee compensation and employee retention in manufacturing industries of dindugul.
- The report is based on three main part of HR activities for the scope analysis on employee compensation to dodla dairy limited industries.
- Training and development practices in the industry, Compensation & Benefit are given to the employee of the company and about wage and salary administrate of the company.
- Any research study would be facing certain limitations, technical or procedural or otherwise the present study has not been an exception to this rule and had come across certain limitation the following are few of such constrains.
- The study was fined confined only to non-Executives.
- The study has to be completed within a stipulated time period and hence time was a major constraint.

1.3 LIMITATION

- Psychological factors such as self motivation, perception of employee towards job, attitudes, and preferences have not taken into consideration into the study.
- All the respondents taken part in this research belongs to age group of 20-40 so findings cannot be generalised to employees of higher age group.
- Data collection is only through employees.
- Now that empirical data support an association between EI and women in management, further research is needed as to why women are preferred among lower-level management in HR. This may be because women are stereotypically perceived to lead in a participatory way, but we were unable to evaluate this using our current data. Since we did not find that employee involvement helped women to shatter the glass ceiling, as some researchers speculated

II. REVIEW LITERATURE

2.1 REVIEW OF LITERATURE:

Employee involvement has been defined in different ways by various authors. According to Kumari and Kumari (2014), employee involvement is the process of by which employees are empowered to partake in managerial decision making and improvement activities suitable to their ranks in the organization. Price (2004) see employee involvement as a procedure connecting

participation, communication, decision making which leads to industrial democracy and employee motivation. He noted that involvement of employees in an organization's operation motivates and enables them to effectively and successfully add value to the organization. Sofijanovna and Zabijakin–Chatleska (2013) refer to involvement as the participation of employees in decision making and problem solving, and increase autonomy in work processes. Employee involvement connote the idea of allowing employees to participate in decisions that affect them, increasing their autonomy and control of their work, delegating more authority and responsibility to them, in other to make them more committed, motivated and satisfied with their jobs in an organization.

According to Mitchell (1973), employee involvement deals with sharing decision making authority between management and workers in the work situation. Marchington et al, (1992) posit that management initiates employee involvement to improve communication with employees, to engender employee commitment and contributions to the organizations. Locke and Schweiger (1979) define it as joint decision making between managers and subordinates. In the view of Mwiudi (2011), employee involvement refers to participatory management. It is the organization and leadership attitude about how people are most enabled to donate (Khattak et al, 2013). Agyeman (2012) see employee involvement as a management viewpoint on how to enable the employees to contribute to organizations' continuous improvement and success. Nwachukwu (2006) state that employee involvement helps manager to obtain the commitment of workers, and indirectly ensures the survival or success of any planned change. From the noted definitions, employee involvement thus can be seen as organizational process and practice initiated by management to authorize employees to contribute in managerial decision making and improvement activities for organizational improvements and development. The key components of this definition are: (i). It is initiated by management, (ii). Employees are allowed to participate in managerial decision making and problem solving. (iii) It involves increased work harmony and unity by employees, (iv) It entails greater delegation of authority and responsibility to employees. (v) It aimed at organizational improvements and development.

Employee involvement in decision making, sometimes referred to as participative decision-making (PDM) is concerned with shared decision making in the work situation (Mitchell,

1973). Locke and Schweiger (1979) define it as 'joint decision making' between managers and subordinates. According to Noah (2008), it is a special form of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. It refers to the degree of employee's involvement in a firm's strategic planning activities. A firm can have a high or low degree of employee involvement. A high degree of involvement (deep employee involvement in decision making) means that all categories of employees are involved in the planning process. Conversely, a low degree of involvement (shallow employee involvement in decision making) indicates a fairly exclusive planning process (Barringer & Bleudorn, 1999) which involves the top management only. A deep employee involvement in decision making allows the influence of the frontline employees in the planning process. These are the people who are closest to the customer and who can facilitate new product and service recognition, a central element in the entrepreneurial process (Li et al., 2006). This means that employee participation in the planning process surrounding the potential innovations may facilitate opportunity recognition throughout the organisation (Kemelgor, 2002; Zivkovic et al., 2009).

The attitudes that organisational results come from the top, that effective cultures are derived from the upper echelon, often tend to ignore the power and the contributions of those at lower levels (Woodworth, 1986). Thus ignoring the importance of employee involvement in decision making.

Employee involvement in judgment is an applied fairly mechanism in the working world, also known as community involvement reviews (PDM) (Mitchell, 1973). The 'logical decision' in Locke and Schweiger is described (1979). According to Noah (2008), the centrality will decide about how to adjust the communication gap between some of the administrator and staff more control and versatility. A specific type of membership is the group. It represents the level of engagement of workers in strategy implementation operations of a company.

Employee engagement is now a crucial factor in the effective adoption of modern methodologies and is essential in assessing the individual employee contribution and morale in terms of work happiness. The presence of workers is undoubtedly good for the organization [4]. Employee involvement consists of two evaluative and ongoing systems. Doucouliagos (1995)'s

strategic practice has stirred severely stressed in topics pertaining to workforce engagement. This is because of the indications that employee participation enhances involvement, thus improving performance and competitiveness, reducing the expense of monitoring employees, and generating more engagement

The position of staff in strategic planning is a collective decision making in the work place, often used as communitarian decision (PDM) (Mitchell, 1973). It was termed 'mutual agreement between superiors and subordinates,' Locke and Schweiger (2007) believe that each group of people takes part in the schedule process[7], which requires considerable commitment (deep staff cooperation in judgment). In comparison, a low level of engagement (small staff participation in decisions) suggests a fairly limited preparation mechanism (Barringer & Bleudorn, 1999), affecting only top management. A fundamental engagement of workers in decision-making helps front-line workforce to control the preparation process. This suggests that customer interest in the process of preparing the future developments will promote the identification of incentive within the organization

Employee engagement is a mechanism in which workers engage and motivate themselves to make use of their actions to achieve higher personal and corporate efficiency. Employee involvement is often identified as the employee's greater interactions or contribution in helping a company accomplish its policy document and its key goals by implementing their internal ideas, skills and strategies for critical thinking and decision-making

The role of workers in decision-making has been recognized by the actions of management and employees as the management method to restore organizational efficiency. Which is revised to allow staff to contribute to the implementation of the Sustainability Strategy and to improve policies and practices, salary assessment, advancement and success perseverance. The importance of workers in strategic planning was and still is regarded to be among the core aspects of the field of Rehabilitation.

(Edward, 2009) analyzed whether employee involvement makes a difference and whether there is an increase in the use of employee involvement from 1987 to 1996. The author found that, all involvement is a substantial change in the basic structure of the organization and is aimed at moving important operating discussions into the hands of individuals. (Sarangi, 2012) examined the employee engagement initiatives in Indian banking sector that, employee engagement is a force that motivate employees to the higher level of

performance and it gives commitment, loyalty, productivity and ownership to the organization. (Judeh, 2011) revealed in a study on 'An examination of the effect of employee involvement on teamwork effectiveness: An empirical study' that, employee involvement has been linked to many different management concepts and behaviors such as management style, total quality management, employee empowerment, job satisfaction and job performance. (Toomey, 2006) analyzed in the study on 'Employee involvement teaming in the material review and corrective action group' and found that, employee involvement and employee satisfaction are directly related to customer satisfaction and business success. (Zwick, 2008) revealed in a study on 'Reassessing the productivity impact of employee involvement and financial incentives' that, employee involvement and financial incentives are often praised as effective means for increasing firm's productivity. (Pekovic, 2013) revealed that, employee involvement is a crucial element of the successful quality standard implementation. And also employee involvement is a potential mediator of the relationship between quality standard and employee outcomes.

Employee commitment is evidenced by better reward programs, and approaches that will show interest in employee career development. Organizations also need to create ways of recognition of contribution by employees that would help defining what determines employee engagement in order to improve commitment levels (Sivasubramanian and Rupa, 2017).

The demographic profile of employees has an influence on employees engagement. and organizational inputs and support has an impact on engagement and that committed makes employees more engaged (Gantasala V. Prabhakar and Swetha Reddy, 2016).

Two way communication and transparency across all levels of management are the ways to promote the trust and determine the degree of discretionary effort that comes with a higher level of engagement (Manjunath.S and Chandni M.C, 2018). (Preeti Thakur, 2014) identified that among the former work motivation could be improved through increased job authority and accountability and at the clerical level, rewards and recognitions are significantly associated with job involvement.

The organizational success depends on employee's productivity which will be accelerated through employee's commitment towards his organisation (Dr.Pratimasarangi and Dr. Bhagirathi Nayak, 2016). (Arti Chandani and Vashwee

Khokhar, 2016) identified variations in factors may arise due to differences in individual, job characteristics and gender diversity..

the involvement (or participation) of employees in the company. The degree of involvement can either be high or low. A high degree of involvement will have all categories of employees being involved in the planning process while a low degree shows there is selectivity.

Forms of employee involvement can be classified as direct and indirect. Direct participation involves immediate personal involvement, while indirect participation involves some sort of employee representation [2]. Common forms of direct employee involvement include team briefings, suggestion schemes, job enrichment, job design, autonomous working groups, quality of working life programs and attitude surveys while indirect forms of participation include works councils, quality circles, board representation, involvement groups and task forces.

There are differences between employee participation and employee involvement. Literature suggests that employee participation is a pluralist/collective approach with a continuum from „no involvement“ to „employee control“ [9]. As such it may involve processes and mechanisms such as: collective bargaining, employee share schemes, works councils, worker directors and joint consultative committees. Employee involvement, in contrast, is more individualistic and unitarist. It aims to harness commitment to organizational objectives and relies on the maintenance of management control.

Renewed interest in employee participation in decision-making apparent in management and industrial relations literature is part of a number of corporate organizational changes in response to increasing competitive pressures arising in international markets during the 1990's [10]. As firms seek to „globalize“ their activities, they encounter competitive and uncertain market conditions.

The intensity of participation varies with the political environment, the managerial philosophy of the firm and the industrial relations environment in which it operates [5]. Authoritarian firms adopt downward communications while other firms will place a higher emphasis on direct participation involving two-way communication flows. Twoway communication is aimed at harnessing the expertise of their employees. There are firms that choose to emphasize representative participation as a means of providing a collective voice to their workers. The goal here is to counteract or stall union influence, or even from a

genuine belief in industrial democracy. Some others may institute an elaborate system of participation in order to achieve better decision-making and improved corporate flexibility.

III. RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

To investigate the relationships that exist between employee involvement in decision making and firms' performance in Nigeria, a cross-sectional survey design was employed by collecting data from a defined population. The use of survey research method is justified because it follows a correlational research strategy and helps in predicting behaviour (Bordens& Abbott, 2002). It also helps to determine whether or not a relationship exists between the variables of study (Kerlinger, 1973). Responses were sought from manufacturing firms on a wide range of issues relating to employee involvement in decision making and firms' performance.

3.2 Methods of collection

The purpose of this study is to investigate the relationship between employee involvement in decision making and problem solving, and firm's performance in the manufacturing sector in the Republic of Macedonia. Manufacturing sector was chosen because of its potential and its unquestionable importance to the economic development of the country.

3.3 POPULATION OF STUDY

The population for this study comprised all employees of Dodla Dairy Limited. The organization has a total staff establishment of 600 based at the Head Quarters in Telangana . The structure in Dodla Dairy Limited has put staff in five departments which production, marketing.

3.4 SAMPLE UNIT

Employees of the organization in dodla dairy products

3.5 SAMPLE SIZE

A sample size is guaranteed to have its temperament of information assortment. Information assortment depends on the essential information. About 250 respondents are taken as the example for this investigation.

3.6 SAMPLING METHOD

Research had made use of simple random sampling technique to collect data.

A simple random sample is a randomly selected subset of a population, and the sample is collected from the different departments of employees of Dodla Dairy Pvt. Ltd. In this sampling method, each member of the population has an exactly equal chance of being selected. Since it uses

randomization, any research performed on this sample should have high internal and external validity. Simple random sampling is used to make statistical inferences about a population. It helps ensure high internal validity; randomization is the best method to reduce the impact of potential confounding variables. In addition, with a large enough sample size, a simple random sample has high external validity. It represents the characteristics of the larger population.

Primary data

Primary data was collected through face-to-face interviews while filling up questionnaires (250 respondents).

Secondary data

Relevant information was gathered from magazines, newspapers and project reports that formed the secondary data.

3.7 TOOLS USED FOR ANALYSIS:

Chi – Square

Analysis of Variance (ANOVA) is a statistical formula used to compare variances across the means (or average) of different groups. A range of scenarios use it to determine if there is any difference between the means of different groups.

Anova

Analysis of Variance (ANOVA) is a statistical formula used to compare variances across the means (or average) of different groups. A range of scenarios use it to determine if there is any difference between the means of different groups.

Correlation

Correlation is a statistical term describing the degree to which two variables move in coordination with one another. If the two variables move in the same direction, then those variables are said to have a positive correlation. If they move in opposite directions, then they have a negative correlation.

Regression

Regression is a statistical method used in finance, investing, and other disciplines that attempts to determine the strength and character of the relationship between one dependent variable (usually denoted by Y) and a series of other variables (known as independent variables).

3.9 Scaling Method

The researcher used Likert’s 5 point scaling method for this research study.

Scaling technique is a method of placing respondents in continuation of gradual change in the pre-assigned values, symbols or numbers based on the features of a particular object as per the defined rules. All the scaling techniques are based on four pillars, i.e., order, description, distance and origin.

IV. DATA ANALYSIS AND INTERPRETATION:

S. No	Satisfaction Level	No. of Resonance	Percentage
1	Highly Dissatisfied	0	0
2	Dissatisfied	0	0
3	Neutral	33	13.2
4	Satisfied	93	37.2
5	Highly Satisfied	124	49.6
	TOTAL	250	100.0

Table 4.1 Safe and happy work environment

Source: Primary Data

Inference

From the above table reveals that 49.6% of the respondents belong to Highly Satisfied, 37.2% of the respondents belong to Satisfied, 13.2% of the respondents belong to Neutral, 0% of the respondents belong to Dissatisfied and 0% of the respondents belong to Highly Dissatisfied Category. Majority 49.6% of the respondents belong to the Satisfied.

V. FINDINGS & SUGESSTION

5.1 FINDINGS

- 49.6% of people are highly satisfied with the Safe and happy work environment
- 47.6% of people are highly satisfied with the Efficiency in the Work is Improving
- 51.2% of people are highly satisfied with the Satisfied with Professional Development
- 43.6% of people are satisfied with the Keep Working with the goal of the Organization
- 50.0% of people are highly satisfied with the Level of Cooperation of the Management is good
- 46.4% of people are satisfied with the Organization provides initial training as I needs
- 46.3% of people are highly satisfied with the Technology issues affecting my work are communicated to me in a timely manner
- 54.8% of people are highly satisfied with the Organization motivates you to do best work
- 41.2% of people are satisfied with the Do you receive enough opportunities to develop your career
- 45.2% of people are highly satisfied with the Is satisfied with the available career advancement Opportunities
- 50.8% of people are Highly Satisfied with the Training is must for enhancing productivity and performance
- 46.0% of people are satisfied with the Are you satisfied with the communication and interpersonal relationship in your organization
- 47.2% of people are highly satisfied with the Do you feel work environment is highly satisfaction in a dairy
- 55.6% of people are highly satisfied with the I am completely involved in my work
- 43.6% of people are highly satisfied with the The work days goes by quickly because I am often involvement in my work
- 51.6% of people are highly

satisfied with the I feel this organization has created an environment where I can do my best

- 53.8% of people are highly satisfied with the The software and program application I use to do my job are adequate
- 42.8% of people are satisfied with the Satisfied with the compensation

5.2 SUGGESTIONS

There are a number of ways you can support employee development: individual coaching, workshops, courses, seminars, shadowing or mentoring, or even just increasing their responsibilities. Offering these opportunities will give employees additional skills that allow them to improve their efficiency and productivity. So after reviewing your employees, ask them what you could do to help them improve. Maybe they would like a little more guidance on certain tasks, or would prefer a little more room for creative freedom. Asking for feedback not only gives you clear, immediate ways to help your employees improve, but also encourages a culture of open dialogue that will allow for continued development over time.

5.3 CONCLUSION

Employee engagement is attracting a great deal of interest from employers across numerous sectors. In some respects it is a very old aspiration – the desire by employers to find ways to increase employee motivation and to win more commitment to the job and the organisation. Employee involvement and participation in organization leads good outcomes for the organization. When any management take decisions they have to involve the participation of employee in it because by doing this management come to know deeply about the outcomes of their decision that how far decision they are going to have good or bad effect on organization. If workforce is happy and committed towards the work, that organization can never bankrupt. By involving employees in decisions show not only how important employees are for organization but also motivate employees by making them the part of the decisions.