

Participative management behaviour of public sector bank employees

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ABSTRACT

This empirical study has examined the extent of employee's participation on decision-making in the public sector banks of Nadia and Birbhum district. The main objective of this study was to assess the level of employee's participation in decision-making process of the banking organisation. Descriptive research design was employed in the study and the instrument used was a questionnaire and administered to 75 respondents. The study revealed that extent of employees' participation was not quite satisfactory level. The study further revealed that respondents faced a number of constraints for effective participation in decision-making process of their organisation. The implication of this study revealed the need for banking sector to adopt a high level of commitment to employee involvement in decision making for better performance of the organisation.

Key words: Employee Participation, Decision-Making, Banking-Sector, Constraints

INTRODUCTION

Participatory decision-making occupies a central position in business, policy and practice research. Participative decision-making means the extent to share or involve in the organisational decision-making process. Participative management is described as the third managerial revolution. The first revolution involved the invention of hierarchy system (Sashkin, 1984) while the second revolution involved the separation of management from ownership and inventing of professionalization in management. Participative management is basically an approach that empowers the employees or subordinates by means of distributing information, knowledge, authority and rewards to the lower tier of an organisation (Key, 2000; Miah and Bird, 2007; Sashkin, 1984). Several studies have shown that allowing employees to participate in decision making leads to increase in motivation, job performance, and organisational growth (Kim., 2002; Bhuiyan, 2010; and Brown, 1982). From the last century, there was a paradigm shift from scientific management strategies to a greater emphasis on human relations. Employees were no longer seen as machines rather conceptualised as human beings with individual motives and desires at work.

As the participative management pushes decision-making down to lower levels, the top-level managers need to develop their competence expertise and experience. The increase in theories of participative management along with increasing recognition that employees often have something valuable to contribute beyond the expected levels of their normal work, many organisations are now actively seeking ways of getting employees to participate more in decision making affecting them on how can be done more easily, better and faster.

It is noted that, employee involvement has become an important component of decision making as because it is an integral part of knowledge management system. That is why nowadays, corporate leaders are encouraging their employees to share their knowledge.

The other crucial element in the employee participation is feedback. Individual employee should receive direct and clear information about how efficient they are performing their job. The main concern in increasing employee motivation, satisfaction that results the improvement of the quality and quantity of their services. Thus, as a consequence of that managers are encouraged to devise and foster satisfying work environment and this attempt led to the emergency of employee

participation in management and employee empowerment concept (Mamoria and Gankar, 2002))

The banking sector in our country has been a focal subsector; but little is probably known about the influence of its employees' participation in decision making on the performance of organisation. Banking sector has become a potential instrument of modernisation, an instrument of employment generation as well as generating a positive spill over effect (Tybout, 2000). Focus should therefore be on banking sector and those factors that may foster its growth. In the light of the above, the present study was undertaken to study the socio-demographic traits of the banking officials, extent of their participation in decision making, their perception on participative management behaviour of the superiors and constraints faced by them in decision making.

RESEARCH METHODOLOGY

The present study considered purposively selected banking organisation of public sector bank. A total of 20 branches *i.e.* 10 from Nadia district and 10 from Birbhum district of West Bengal were selected randomly. A sample size of 75 officials of public sector banks (complete enumeration method) were obtained.

For socio-demographic trait of the respondent, variables like age, gender and educational qualification were considered. Participation of respondents in decision-making was measured using a questionnaire developed for the purpose. It was based on 17 decision-making areas which were chosen based on the literature and responses of the experts and bankers; these were autonomy in work, quality control, safety measure, maintenance of good working environment, work schedule, welfare programme, control over working hour, promotion of worker, purchase of equipment, norms of disciplinary action, outsourcing, work allotment, project distribution, budget allocation, expansion of the unit, long term planning, and wage determination. Responses were given by the selected officials on individual decision-making

areas on five-point continuum scale ranging from no participation (0) to high level of participation (4).

The Participative Management Behaviour (PMB) of the superiors was assessed on the basis of perceptions of the respondents. A questionnaire was developed having 20 statements about the behaviours of the superiors on different aspects like subordinates' honesty, trust and confidence in subordinates, discussing office work with subordinates, gaining subordinates' confidence, group discussion to find solution, motivating subordinates, cooperation, satisfaction on subordinates' achievement, communicating with subordinates, providing information, friendly interaction, involving subordinates in decision making process, encouraging subordinates, etc. Measurement of participative management behaviour of the superiors was done using 5-point continuum scale ranging from strongly disagree (1) to strongly agree (5) with each of 20 statements.

To analyse the constraints faced by respondents, a schedule was prepared. Constraints were categorised in four broad categories, namely, organizational constraints, situational constraints, infrastructural constraints and administrative/managerial constraints. Each category had 7-12 problem situations and each situation were scored in a four-point continuum scale. The constraints were scored as not prevailing (0), somewhat (1), moderate (2) and extreme (3).

The data were obtained from the respondents through well-tested structured mail questionnaire. Collected data were compiled and analysed using descriptive statistics.

RESULT AND DISCUSSION

Socio demographic traits of the respondents:

Socio-demographic characteristics of the bank officials are important to study as these may influence their functioning, their abilities and their participation in decision making and their perceptions on management behaviour of superiors. The attributes also influence to encounter with

and/or overcoming the constraints in discharging different functions as bank officials of public sector bank.

It was found that mean age of 75 respondents was 31.48 (~31) with standard deviation of 3.32 (~3). Based on mean and standard deviation the respondents were categorised in three categories (young aged, middle aged and old aged). Majority of the respondents belong to the middle age (60%) followed by young aged and old with 24 per cent and 16 per cent, respectively. The study also showed that, majority of the respondents were male (88%). Only 12 per cent respondents were female. In

case of educational qualification of the respondents a skewed result surfaced with majority of the respondents had Post graduation degree (76%) and 24 per cent respondents had Graduation only. Respondents with higher degree than post-graduation were not found in the study.

Participation of respondents in decision-making

From Table 1, it is evident that, most of the respondents (52%) moderately involved in decision making process. Nearly one third respondents (32%) were involved highly in decision making process. 12 per cent respondents were somewhat involved in decision making process.

Table 1
Extent of Participation in Decision-Making process by respondents

(n=75)

Sl. No.	Category	Number	Percentage
1	Very less	3	4
2	Somewhat	9	12
3	Moderate	39	52
4	High	24	32
	Total	75	100
Extent of participation 78 per cent			

During the investigation it was found that, the most respondents were highly involved while taking decisions regarding maintaining good working environment and welfare programmes. While they were least involved in wage determination and during outsourcing. Overall extent of participation is derived on the basis of pooled mean score (obtained score) out of maximum obtainable score on 17 dimensions expressing in percentage. It is found to at a level of 75 per cent.

According to Armstrong (2001), participation of employees takes different forms at different levels. First of all, there is job level, where team leaders and members share ideas about how the job should be done. At management level, it involves the information sharing and decision making on how the way work is planned and carried out. At policy-making level, employees share power to make key decisions about the decision in which

the business is taken. Finally, at the ownership level which involves the share of equity as well as determine the composition of the board. In this context, present study unravelled the non-participation of the officials of public sector banks in policy level decisions like wage and outsourcing. However, the participation is found at higher and medium level in case of job related and management related decisions, respectively.

Number of past studies (Lahovary, 2000; Tito, 2001; Armstrong, 2001; Pfeffer, 1996; Burchill, 1997 and Swanepoel, 2002) identified the several advantages of employee participation in management, which are, reduction in human relation conflict, quality decision, improvement in productivity, stimulate innovation, enhancement of communication, enhance problem-solving capabilities and attitude, respect to humanity and increase employee commitment

Participative management behavior (PMB) of superiors as perceived by the respondents

The behavior of superiors often plays pivotal role in facilitating the performance of subordinates and it holds true in case of banking sector. Therefore, present study assessed the perception of selected officials of public sector bank on participative management behavior of their superiors. The findings are given in Table 2.

The score obtained from the responses of the respondents about the participative management behaviour of their superiors varies from 22 to 100, with mean score of 72.40 and standard deviation of 17.27. The level of participative management behaviour of the superiors was categorised in three categories based on the overall mean perception score of the respondents.

Table 2
Distribution of respondents according to their participative management behaviour

(n=75)

Sl. No.	Categories	Number	Percentage
1	High PMB ($>\mu+$)	12	16
2	Moderate PMB ($\mu- < >\mu+$)	54	72
3	Low PMB ($<\mu-$)	9	12
	Total	75	100
Mean score (μ)=72.40; Standard Deviation (σ)=17.27; Range: 20 to 100			

Evidently from Table 2, majority of the respondents have moderate level of participative management behavior (72%). From the study, it was found that majority of the respondents felt that they were mostly unwelcomed by their superiors in the decision-making process and the supervisors did not have adequate information regarding the problems employees faced by the respondents.

Constraints in participative decision-making

Table 3 revealed that situational constraints were the most important as perceived by the respondents. It was followed by administrative/managerial constraints, infrastructural and

organisational constraints. The major constraints for employee participation in decision-making in the present context is stiff resistance to change by management. The general perception of the most of the managers is that employee participation in decision-making poses threat to their authority. Most of the managers tend to resist employee participation because it is against their habit-formed ways of thinking and behaving. Another important issue is that failure on the part of the managers to respond or acknowledge the recommendations of employees which results in non-involvement of employees in decision making.

Table 3
Constraints as perceived by the respondents with respect to Participative Decision-making

(n=75)

Sl. No.	Particular	Mean score	Rank
1	Organizational constraints	1.60	IV
2	Situational Constraints	1.78	I
3	Infrastructural Constraints	1.61	III
4	Administrative/ Managerial Constraints	1.75	II
Range = 0-3			

CONCLUSION

Employee involvement in decision-making has now become a *sin-qua-none* of corporate decision-making process. Involvement is very essential as it results in united vision, values and purposes. Present study revealed the extent of participation in decision making at a higher level

(78%). Simultaneously, perceived participative management behavior of superiors is at 72 per cent level. Situational constraints encountered by the officials need to combat through proper management and policy reforms. Hence, participative decision-making that give employees the opportunity to make substantive change in their work is a tool for large-scale organisational change.

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