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# EMPLOYEE PARTICIPATION AND ORGANIZATIONAL PERFORMANCE IN SELECTED FAST FOOD FIRMS IN AWKA, ANAMBRA STATE

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## Abstract

*Employee participation and Organisational performance is a crucial aspect of organizational management that has gained increasing attention in recent years. The specific objectives were focused on the relationship between employee engagement and organizational productivity and the relationship between staff innovation and financial performance in selected Fast Food Firms, Awka, Anambra State. This study is anchored on goal setting theory by Edwin Locke 1968. The study adopted Descriptive Survey Research Design and simple random sampling technique was used to select the Fast Food firms in Awka, Anambra State. The population of the study is 150 staff and Taro Yamane's formula was used to determine the sample size of 109. Findings revealed there is a positive relationship between employee engagement and organizational productivity, there is no positive relationship between staff innovation and financial performance. The study concludes that management should determine what is needed by both the environment and the sector in which they operate so as to determine the necessary decision making to build so as to ensure timely accomplishment of task. The study recommended that there is need to examine performance for the purpose of identifying employee participation in decision making gap so as to organize necessary developmental programmes for the organization, secondly: there should be enquiry into the necessary tools and technology that facilitates work process so as to incorporate innovation for easy adaptations to changes in the environment.*

**KEYWORDS**: *Employee Participation, Performance, Engagement, Productivity.*

## INTRODUCTION

Employee participation in decision making is a crucial aspect of organizational management that has gained increasing attention in recent years. The concept refers to involving employees in the decision-making process of the organization, allowing them to provide feedback, express opinions, and contribute to the final decisions made by management. The rationale behind this practice is that employees who are involved in the decision-making process are more likely to be committed to the implementation of decisions made and have a higher sense of ownership in the organization's success. Presently, organizations have recognized the needs of Employee Participation in achieving organizational objectives. Majority of firms that employ participative management approach have recorded dramatic breakthrough in the area of operational cost, high profit margin and work productivity. Through Employee Participation, individuals are offers the chance carry job responsibility and partake in joint decision making for the whole welfare of the firm (Lebans and Euske 2016).

In recent years, there has been a growing interest in employee participation in decision making, particularly in the context of the changing nature of work and the increasing emphasis on employee empowerment and engagement. Several studies have focused on the impact of employee participation on various organizational outcomes, including employee job satisfaction, motivation, and performance (Choi & Moon, 2017; Dundon & Wilkinson 2019). In some firm most recent, the power of formulating decision depends on the magnitude of confidence gains into a certain jobs. These avails an opportunity for employees to make recommendations and contributions needed to achieve organizational objectives. Employee involvement has contributed both impacts either positively or negatively on firm achievement. Research by Lebans and Euske(2016) noted that, Employee Participation has promoted the level of individuals' satisfaction on the job. When people have that feeling that there are been involved on decision process of the firm the find there salve, that only can motivate them to put in their best even when the cash reward is not fort coming they are not demoralized in making sure that organizational goal and objective is been achieved. Again Employee involvement has seen as an important contributor to organizational success. A study conducted by Cooke (1994) employing 841 companies in Michigan in United States of America noted that Employee involvement has positive impact on firm's Performance due to increased; output, quality, and time reduction. It is vital in improving; organizational decision making capability, attitude towards work, employee well-being and productivity in the organization (Jones, Kalmi, & Kauhanen, 2010).

However, despite the growing interest in employee participation in decision making, there are still challenges in its effective implementation. For instance, a study by Wu and Zhang (2020) found that there were significant differences in employee participation levels among different organizational levels, with higher-level employees having more opportunities for participation than lower-level employees.

Employee Participation has negative impact on Organizational Performance. As the name implies, it represents increased involvement, and i.e. to many people involved in the decision making process of the firm, and this in turn delay entire decision process because of a lot of disagreement among member bodies involved in the decision making process (Lebans and Euske, 2016). More so, it takes time to verify the accuracy of information which may lead to delay in decision making process. However, the benefits of Employee Participation outweigh the cost since organizations have different culture and human resources; it is advisable for them to have a well understanding of each other in order to establish a decision making style and adopt the best practice required to succeed in business environment. Heller et al. (1998) explained Employee Participation as the entirety of bodies, such as; direct (individual) or indirect (institutions) by which individuals or groups contribute to organizational objectives through self innovative mind which gears towards a better decision making processes. Through collective decision making, employees are engaged in Management by Objective (MBO) and in organizational goal setting process. This helps in improving organizational effectiveness in areas that threatens its survival. Related to this, David (2005) opined that, top management or front line managers should encourage employee Participative Decision Making in the organization to promote workforce efficiency and high productivity required to achieve business objectives.

A research carried out by Kuye and Sulaimon (2011) revealed that, an organization that encourages employee's participation in decision making do better than its competitors. The authors therefore encourage organizations to promote high employee involvement in decision making in order to improve their work performance and productivity. According to Williamson (2008) also emphasized that employee participation in decision making gives employees the avenue to improve on their skills and competency to promote the goal of the organization. Employee involvement in decision making of an organization can serve as morale that can lead to high innovation, commitment and job satisfaction in the organization.

**Statement of the Problem**

Employee participation in decision making is a critical aspect of organizational success. When employees of Five Star Restaurant, Crunchies restaurant and Stanel Group are involved in decision making, they tend to feel more valued, motivated and committed to the organization's goals and objectives. This, in turn, leads to higher levels of job satisfaction, lower employee turnover, and improved organizational performance and lack of these factors are problems facing selected fast firms in Awka affecting their organizational performances.

However, despite the numerous benefits associated with employee participation in decision making, many organizations struggle to effectively implement it. There are several factors that hinder effective employee participation in decision making in Five Star Restaurant, Crunchies restaurant and Stanel Group including a lack of trust, unclear communication channels, inadequate training, and a lack of support from top management.

The existence of these problems in selected Fast Foods firms, Awka makes it imperative that a study on Employee participation in decision making towards improving organizational performance be carried out.

**Objectives of the Study**

The broad objective of this study is to investigate the relationship between employee participation in decision making and organizational performance in selected Fast Food Firms, Awka, Anambra State.

The specific objectives are;

To determine the relationship between employee engagement and organizational productivity in selected Fast Food Firms, Awka, Anambra State.

To determine the relationship between saff innovation and financial performance in selected Fast Food Firms, Awka, Anambra State.

**Research Questions**

The following questions were formulated for the study;

What is the relationship between employee engagement and organizational productivity of selected Fast Food Firms, Awka, Anambra State?

What is the relationship between staff innovation and financial performance of selected Fast Food Firms, Awka, Anambra State?

**Research Hypotheses**

The following hypotheses were formulated for the study;

Hypothesis one.

Ho1: There is no significant relationship between employee engagement and organizational productivity of selected Fast Food Firms, Awka, Anambra State.

Hypothesis Two

Ho1: There is no significant relationship between staff innovation and financial performance of selected Fast Food Firms, Awka, Anambra State.

## REVIEW OF RELATED LITERATURE

### Conceptual Framework

Concept of Employee Participation and Decision Making

According to Sofijanova and Chatleska (2013) Employee involvement is a course of involving and empowering employees on the job in order to use their effort towards achieving higher individual and organizational performance. Employee Participation is also defined as a direct participation or engagement of employee to help an organization fulfill its mission statement and meet its core objectives values by applying their own innovations, expertise, and efforts towards solving problems and making decisions (Bullock & Powell, N.Y).

Employee participation in decision making has been acknowledged as a managerial tool for regain organizational performance by striving for the shared goals of employees and employers. This is actualized by allowing workers contribution in developing the mission statement, establishing policies and procedures, pay determination, promotion, and determining perks. Employee participation in decision making has become a important topic in human resource management (HRM), and is regarded as one of the driving tools of employee voice, which many management scholars have observed to be a growing management concept (UK Essays,2013).

Employee Engagement

Employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or co-workers that in turn influences him/her to apply additional discretionary effort to his/her work (Hughes & Rog, 2018). Shuck and Reio (2013) define employee engagement as the cognitive, emotional, and behavioral energy an employee directs toward positive organizational outcomes. They go on to operationally define employee engagement as a series of psychological states (cognitive, emotional and behavioral) ultimately representing an intention to act that encompasses motivation-like qualities.

Staff Feedback

Feedback is a dynamic interaction process between source and recipient which offers information

about performance and entails an evaluation of the quality of performance behaviours performance

feedback is the information provided for past performance. (Bluedon, 2019).

Staff Innovation

Employee innovativeness is the measurement of innovative output and new method of performing task by employee of an organization. Employee innovativeness is defined as something that is invented for the first time and is commercially successful (Hansen and Wakonen, 2017). Catherine and Pervaiz (2014) define organizational innovativeness as an organization's overall innovative capability of introducing new products to the market, or opening up new markets, through combining strategic orientation with innovative behavioural and process. The vast majority of researchers consider organizational innovativeness as a unidirectional phenomenon (Wilson, 2010).

Organizational Performance

Most commonly used methods for measuring organizational performance can be classified into five categories of performance that is financial performance, operational performance, customer satisfaction, employee satisfaction and learning and growth (Chen, 2018). Financial performance can also be measured by return on investment, competitive position market share growth, overall profitability, sales volume growth, cash flow and Profit improvement (Yeung, 2016). Operational performance is measured by productivity, overall quality performance, timeliness, quality improvement, waste reduction, production performance improvement. Employee satisfaction is measured by employee morale, employee growth and employee productivity (Rahman, 2024).

Organizational productivity

This the capacity of an organization, institution or business to provide desired results with a minimum expenditure of energy, time, money, personal, material etc, organizational productivity is about assessing and improving the efficiency and effectiveness of public and private sector organizations. Organizational Productivity is an overall measure of the ability to produce a good or service. More specifically, productivity is the measure of how specified resources are managed to accomplish timely objectives as stated in terms of quantity and quality. Productivity may also be defined as an index that measures output (goods and services) relative to the input (labor, materials, energy, etc., used to produce the output).

Financial Performance

This is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. The term is also used as a general measure of a firm's overall financial health over a given period. Analyst and investors use financial performance to compare similar firms across the same industry or to compare industries or sectors in aggregate.

There are many stakeholders in a company, including trade creditors, bondholders, investors, employees and management, each group has its own interest in tracking the financial performance of a company. The financial performance identifies how well a company generates revenues and manages its assets, liabilities and the financial interest of its stake and shareholders.

There are many ways to measure financial performance, but all measures should be taken in aggregate, line items, such as revenue from operations, operating incomes, or cash flow from operations can be used as well as total unit sales.

**Theoretical Framework**

This study is anchored on goal setting theory by Edwin Locke 1968. According to Locke (1968) the urges to satisfy emotions and desires make people strive to achieve goals. Performance is directed by goals which lead to consequences or feedback. When people are committed to specific goals, they perform better than those without set goals, for instance, in jobs with specific deadlines for completion. Regardless of the nature of specific achievements, successful people tend to have one thing in common. Their lives are goal oriented. Edwin Locke and his colleagues defined a goal as "what and individual is trying to accomplish, it is the object of aim of an action.

## EMPIRICAL REVIEW

Irawanto (2015), examined employee participation in decision-making: evidence from a state-owned enterprise in Indonesia. The researcher employed descriptive statistics which data source was through primary with the aid of questionnaire. The study was subjected into multi regression analysis using SPSS software. The result from the research showed that there is a positive significant relationship between participation in decision making and motivation in state owned enterprise in Indonesia.

Isichei and Godwin, (2015) conducted on a research on Decision making and the hospitality industry in Nigeria, a study of selected hotels in the federal capital territory in Abuja. The study adopted descriptive method and data were sourced through primary means with the help of questionnaire. It used Multiple Regression method of analysis to generate result. The findings from the result showed that employee participation in decision making had great impact on the performance of hotels in Nigeria.

Abdulrahman (2016) examined Employee Participation in Decision-making (PDM) and Firm Performance. The study employed Descriptive Survey Design; and its data were collected through validated piloted questionnaire which were administered through mail to Three Hundred and Forty One (341) manufacturing firm. The result of the study revealed that there is a positive significant relationship that exist employee participation in decision making and firm performance.

Nuzhath (2014) studied Employee participation and its impact on their Performance. The researched employed Descriptive Survey Design; the data were sourced through questionnaire which was administered to employees (team leaders) of the BPOs of different companies and service sectors. The findings in different BPOs revealed that an excellent performance of the organization and employer-employee relation depends highly on employee participation in decision making. Based on that, the study conducted stated clearly that there is greater significant link between employee participation in decision making and their performance towards the organization.

Dede (2019) examined Employee Participation in Decision Making and Organizational Productivity: Case Study of Cross River State Board of Internal Revenue, Calabar. The Qualitative Data Collected Approach was employed by the researcher of this study which is the use of primary data with the help of questionnaire. The result showed that employees participate in the decision making of the organization becomes easy and creates a good working environment, increase workers commitment and satisfaction on decisions taken and also increase employee's moral since they feel recognized and part of team players in the organization and direct consequences of all these increase productivity within the organization.

## RESEARCH METHODOLOGY

Research Design

The study adopted descriptive survey research design because the study intended to adopt a design that provides a blueprint to source data primarily through the aid of either questionnaire, interview or observation platform.

Population of the Study

The population of this study comprises of management, Junior and Senior staff currently working in selected fast food firms in Awka, Anambra State.

Sample Size Determination and Sampling Technique

The study determined the sample size using Taro Yamane formula. The formula is presented below;

N = population size

n = sample size

e= error limit =0.05

1= unity

n =$\frac{N}{1+N\ (e2)}$

n =$\frac{150}{1+150(0.05)2}$

= 109

The sample size of the study is 109.

**Table 1 Schedule of Questionnaire administered and returned**

| | | | |
|---|---|---|---|
| 1. | Number of questionnaire copies administered | 109 | 100% |
| 2. | Number of questionnaire copies retrieved | 100 | 89% |
| 3. | Number of questionnaire copies not retrieved | 10 | 11% |

**Method of Data Collection**

The study made use of primary source of data.

The primary sources include the use of structured questionnaire which were distributed to staff of selected fast food firms, Awka..

Test of Hypotheses

Test of Hypothesis One

$Ho_1$: There is no significant relationship between employee engagement and organizational productivity of selected Fast Food Firms, Awka, Anambra State.

Table 2: Correlations between Employee Engagement And Organizational Productivity

| | | Employee Engagement | Organizational Productivity |
|---|---|---|---|
| Employee Engagement | Pearson Correlation | 1 | .788* |
| | Sig. (2-tailed) | | .021 |
| | N | 232 | 232 |
| Organizational Productivity | Pearson Correlation | .788* | 1 |
| | Sig. (2-tailed) | .021 | |
| | N | 232 | 232 |

*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.3.1 result show that there is a significant relationship between employee engagement and organizational productivity at r=0.788, n=232 and P=0.021 ($p<0.05$) at 5% significant level. Based on the decision rule, since the P value is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted that there is positive relationship between employee engagement and organizational productivity of selected Fast Food Firms, Awka, Anambra State.

Test of Hypotheses Two

$Ho_3$: There is no significant relationship between staff innovation and financial performance of selected Fast Food Firms, Awka, Anambra State.

Table 2.2: Correlation between Staff Innovation and Financial Performance

| | | Staff_innovation | Financial Performance |
|---|---|---|---|
| Staff_innovation | Pearson Correlation | 1 | .781* |
| | Sig. (2-tailed) | | .038 |
| | N | 232 | 232 |
| Financial Performance | Pearson Correlation | .781* | 1 |
| | Sig. (2-tailed) | .038 | |
| | N | 232 | 232 |

*. Correlation is significant at the 0.05 level (2-tailed).

From table 4.3.3 result showed that there is positive relationship between staff innovation and financial performance at r=0.781, n=232 and p =0.38; p<0.05% significant level. Based on the decision rule, since the P value is less than 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted that there is positive relationship between staff innovation and financial performance of selected Fast Food Firms, Awka, Anambra State.

**Summary of Findings**

The test of hypotheses revealed that there is significant relationship between employee participation and organizational performance in selected Fast-Food Firms, Awka, Anambra State. State through the following findings;

1. The outcome of the first hypothesis revealed that there is a positive relationship between employee engagement and organizational productivity at r=0.788, n=232 and P=0.021. This implies that employee engagement has a direct influence towards organizational productivity.

2. The test of the third hypothesis revealed that there is no positive relationship between staff innovation and financial performance at r=0.781, n=232 and p =0.38. The implication of this findings is that staff innovation does not have any effect on financial performance.

**Conclusion**

The study deduced that employee participation in decision making positively affects organizational performance as it comprised of identifying employee engagement, customer feedback and staff innovation and ensuring that all resources and skills are available for effective decision making. Employee participation in decision making is a crucial aspect of organizational management that has gained increasing attention in recent years.

**Recommendations**

Based on the findings of this study, the following recommendations were made;

1. There is need to examine performance for the purpose of identifying employee participation in decision making gap so as to organize necessary developmental programmes for the organization.

2. There should be enquiry into the necessary tools and technology that facilitates work process so as to incorporate innovation for easy adaptations to changes in the environment.

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