

EFFECT OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE'S PRODUCTIVITY

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Abstract

This paper examines the effect of participative leadership style on employee's productivity using Midland Galvanizing Product Limited (MIDGAL) Abeokuta, Ogun State Nigeria. The study actually tried to find the extent to which participative leadership style helps to improve employees productivity and bring out their best. The study made use three hypotheses. Survey research design was adopted for the study. The sample for the study comprised 62 staff of MIDGAL. The instrument titled "Participative Leadership Inventory (PLI)" was used for the study. Data obtained from the questionnaire was analyzed using Chi-square technique. The research indicates that exist a positive relationship between participating leadership style and employee's productivity. Also, the result shows that participatory leadership style can be used as a motivational tool for workers. Based on the results of the study, the study recommended that every organization should adopt participatory leadership style as it boost employee morale and enhance organizational productivity.

Keywords: Participative leadership, motivation, leadership style. Organizational Performance

Introduction

With respect to the organization's perspective to follow their evolution, it is necessary to examine organizational leader's behaviors precisely in all organizational levels to achieve their goals. Leaders should perceive their reciprocal independency and influence their employees so that they motivate to participate in reaction and responsibility and hence knew their performance expectations. The primary way through which organizations achieved their objectives is the effective use of the various resources available to them. These resources are numerous; one of which is the human resources. Apart from others like money, materials and machines, the human resource factor is of vital importance in the survival and growth of any organization. It has become absolutely necessary to have a deeper knowledge to have a deeper knowledge and understanding of the attitude of employees in an organization in the conversion process of inputs/outputs. It is in this regard that this study tried to investigate the disposition and response of workers to responsibilities at their workplace, and uncover whether this is a product of their physiological and psychological state and their effect on organisation cohesions and effectiveness. In essence, the proper approach as in leadership style adopted by business organisation towards coordinating the human resources. The manager needs to understand what actually makes human being to be satisfied with their various tasks so as to put in greater efforts in their respective duties. This means that the factors that affect productivity are of immense importance to the modern manager. Management had often made attempts to satisfy most of the needs found in employees with the ultimate aim that this will in turn motivate and lead to workers ability to put in their best and in the long run attain better organisational objectives. Physical motivators which otherwise could be known as physiological needs include financial and other physical rewards given to employees. Conceptual motivators are those psychological motivational activities, which include all intangible rewards such as recognition, which falls under the higher order of needs as explained by Maslow's hierarchy of needs. For an individual worker to be satisfied and highly motivated, his actual needs must be recognized at any given situation. Workers

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participation in decision making process relating to those things, which affect them and their job, is one of the psychological motivational activities, which could be used to raise employee's morale and productivity

Literature Review

The Concept of Leadership

Without leadership, an organisation is but a muddle of men and machines. Leadership is the ability to persuade others to seek defined objectives enthusiastically. It's the human factor, which binds a group together and motivates it towards its goals. Management activities such as planning, organizing and decision making are dormant cocoons until the leader triggers the power of motivation in people and guides them toward goals. Godazi, (2006). Ahmad (2009) posits that participative leadership style is significantly and positively related with organizational commitment other scholars also revealed that this leadership style has a positive effect on the commitment of subordinates to the quality of service, shared values and the clarity of the employees functions (Dolatbadi and Safa 2010). (Dull 2010) scholars argue that an association of leadership and organisation culture is still an important target. Leadership is very important to the health of an organisation if it must survive and grow in a dynamic environment. Organization culture more than other variables show an organisation's ability to survive. "Leadership is the process of motivating and directing others towards the accomplishment of objectives. It involves any attempt at influencing the behavior of others for goals. In support of the above definition, Here zeal reflects earnestness and intensity in the execution of work while confidence reflects earnestness and intensity in the execution of work while confidence reflects experience and technical ability. While a person can be a leader, he may not be a manager. Finchum & Rhodes (2005) Leaders shape and develop the social reality of the organization members. At this point in time, it is essential to explain that the term leadership and manager are not synonymous. "The term leader and manager are not necessarily interchangeable because leadership is a sub class of management. Managers perform the function of creating, planning, organizing, motivating, communicating and controlling. Included within these functions is the necessity to lead effectively which may affect his ability to manage, but a leader needs only to influence the behavior of others. He is not necessarily required to perform all the function of a manager" In fact he is not even required to lead his followers in the right decision.

Types and Strategy of Participation

There are basically dual forms of participation namely direct and indirect participation. Direct participation in decision-making is the participative processes whereby employees are involved in decision relating to their immediate task or environment. This form of participation is mainly found in productivity bargaining which is an arrangement between a worker and his employer to the effect that an increase in his productivity will make him earn an additional wage. Productivity bargaining arises mainly in circumstances where working practices need changes.

Indirect form of participation is the participation process whereby employees are involved in decision making through their selected representatives or delegates. Looking at the strategy applied by managers to involve employees in decision making in organization, participative principles is normally employed to achieve the desired result.

Managers have many opportunities for involving subordinates in organisational planning and decision making. He identified four participative methods which managers are most likely to employ.

- i. **Delegation:** means the transfer of authority from the superiors to the subordinates

- ii. **Committee Action:** Committees are a vital mean of continually gaining inputs from a large number of organizational members. Most companies have certain standing committees to deal with continuing or receiving problems facing the organization. These could be related to corporate policy goals and operations. Depending upon the organizational structure special committees may be established to deal with budgets, employment policies, grievances, disciplinary problems and a variety of other organisational problems and activities.
- iii. **Question Asking:** Managers who respect the knowledge, opinions and judgment of their subordinates may achieve a relatively high level of participation by simply asking questions. Here, the participative leader asks for information and insights that will improve the quality of their responsibility of their subordinates in terms of intelligence and problem solving.
- iv. **Shared Goals:** Participative leaders are prone to become involved in management by objectives and similar goals – oriented programmes. Ideally, an MBO programme is highly participative.

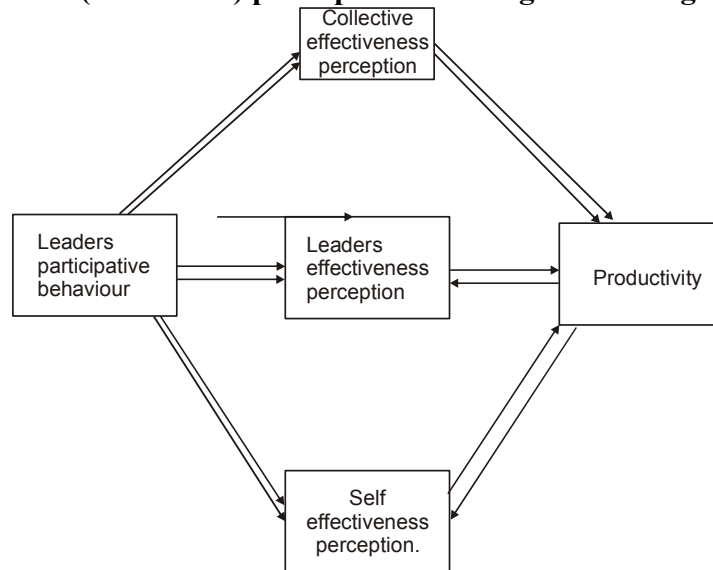
Why the interest in participative management now?

Some reasons behind the shift can be seen below:

- i. **Competitive pressure:** A key factor in the interest in participative management was the realization, which really struck home during the 1980's that better management practices – superior quality management systems, better employee relations, integrated design and production teams could provide critical competitive advantages to public and private sector organizations. (Whedt & Emmerik, 2007) During this same period, heightened issues about the societal accountability of organization also occupied management positions (Brown 2011).
- ii. Underlying the entire discussion of participative management and employee's involvement is the dominance of the bureaucratic, hierarchical organization model and management approach commonly referred to as Taylorism (based on Frederick Winslow Taylor's (1911) classic, the principles of scientific management) or Fordism (based on the principle developed by Henry ford) However, the pre-eminence of the bureaucratic, hierarchical organization model and traditional management practices is facing increased challenge (Lawler 2001) In recent time, participative management strategies and employee and stakeholder involvement were approached as modification of or supplements to the traditional bureaucratic, hierarchical model, undertaken to achieve particular goals or address particular problems. Recently, however participative management has been discussed as a comprehensive governance system that could, and is, replacing the traditional bureaucratic hierarchical system for the new, organic networked organizational forms emerging in the 1990s.

The traditional logic of organizing is to give simple work to employees at the bottom of the pyramid who then report through a supervisor up a hierarchical chain of command to senior executives who provide direction, coordinational and control. This does not work well for organizations managing knowledge intensive tasks. As the number and visibility of high knowledge based organization increases, the need for a new logic of management has gained currency among both academics and managers (DUII 2010). Lawler (2001) summarizes some of the principles of this new logic as shown below:

Figure 1. (DUII 2010) principles of new logic of Management.



Methodology

The methods and procedures used in the collection of samples and the techniques used in the analysis of the data collected from the field and in testing the various hypotheses. The study applied survey research design. The primary and secondary from of data collection were applied in the study. The primary instrument used in this study comprised of questionnaire and personal interviews. Some official reports, minutes of meeting and the company’s annual Business plan and Review documents actually formed bulk of the secondary data for this project past records and performances were also compared with the present position of the company which has been regarded as a more consultative administration than others. The research instrument was a questionnaire titled “Participative Leadership Inventory (PLI)”. The questionnaire was made of sections A and B. section A comprised the bio-data of the respondents while section B Comprised items drawn from variables of the hypotheses structured in 4 – Likert structure of strongly Agree (SA), Agree (A); strongly Disagree (SD) and Disagree (D). To determine the reliability of the instrument, Pilot study was conducted on the questionnaire. The questionnaire was applied twice to twenty samples outside those used for the study. The results obtained from the questionnaire using Spearman Prophecy Formula (rho) at reliability of 6.89. The population of the study was the entire 87 staff of the selected The simple Random Sampling Technique was applied 75 questionnaires were administered while 62 were completed and returned. The data collected were analyzed using both the descriptive and inferential techniques. The descriptive tools gave accurate percentage and the categories of the respondents. The inferential statistic tool used to test the hypotheses was based on the chi-square (X²). The Chi-square technique was selected because it suits the research purpose. Having the ability to test and compare two or more variables and relationship between the observed and the expected outcome.

The chi-square (X²) statistics is expressed by the formula

$$X^2 = \frac{(fo - fe)^2}{fe}$$

- Where X² = Chi- square
- Fo = frequency observed
- Fe = frequency expected

Data Analysis

Here the descriptive and inferential statistical techniques were used to present, analyze and draw conclusions from data collected. 75 workers out of the entire 87 staff of the selected company were sampled. A total of 62 questionnaires were answered and returned representing 83 of the sampled population. 13(17) of the questionnaires were not returned. The questionnaires administered covered the relevant questions to the two hypotheses, the research questions, and purpose of the study. They were administered across the senior and junior staff cadre of the organization.

Descriptive Analysis

Table 1. Number of respondents

Questionnaire	Responses	Percentage
Returned	62	83
Not Returned	13	17
Total Administered	75	100

Source: Field Survey, 2017

10 workers and above. 39 (63) of the respondents agreed that they involve their subordinates in decision making. 5(8) don't involve their people in decision making; 18(29) were in different. 20(66) of those who agreed that they involve their staff in decision making uses direct and indirect participation, while 19(34) adopts indirect participation.

Table 2. Respondents Involvement in Decision Making

Variable	Responses	Percentage
Strongly Agreed (SA)	39	63
Strongly Disagreed (SD)	5	8
Agreed (A)	18	29
Disagreed	-	-
Total	62	100

Source: Field Survey, 2017

37 (60) of response indicated that leadership approaches affects workers level of productivity. 11(18) disagreed,

For whether workers should be involved in decision making at all, a large percentage representing over 70 strongly agreed that workers should be involved in decision-making. 43(70) agreed that participatory style is more in use in the company than others; 11(18) indicated free reign while 8(12) stood for autocratic. 50(80) of respondents indicated that participatory leadership style in the company is a matter of individual leadership style, and not company polity. 60 percent, a high and significant percent of the respondents also pressed that participatory leadership style should be a matter of company policy; 9(15) agreed with it being individual style, while 16(25) were strongly disagreed. When compared to the other two leadership styles, 74 of respondents indicated that participatory IS more effective; 16 ticked autocratic, while 10 stood for free reign. Although, some problems were identified with participatory leadership style, 55 indicated that these problems are insignificant compared to the benefits of adopting the style of leadership. Training and good communication were also identified as some solution to problems associated with participatory leadership. In the course of administering the questionnaires and a back up interview, 68 percent (42) of the sampled population signified that consultative leadership was never present in previous administrations of the company in the past few years as compared to the present one. The output of the company then was also found to be very low.

The two hypotheses tested in this study are stated below:

(a) Ho: Participatory leadership style has no positive and significant effect on Employee's productivity.

Ha: participatory leadership style has positive and significant effect on employee productivity.

(b) Ho: Participatory leadership style cannot be used as a form of motivation for workers.

Ha: Participatory leadership style can be used as a form of motivation for Workers.

These hypotheses were tested using the chi-square (χ^2) tool. The formula of the chi-square is stated below.

$$\chi^2 = \sum \frac{(fo - fe)^2}{Fe}$$

χ^2 = Chi-square L = Summation

fo = observed frequency

fe = expected frequency Decision Rule:

If χ^2 tabulated is greater than χ^2 calculated, accept Ho hypothesis If χ^2 tabulated is less than χ^2 calculated, reject Ho hypothesis Degree of freedom: $v = n - 1$

The chosen level of significance is 0.05.

Testing Hypothesis One

Ho: There is no positive and significant relationship between participatory leadership style and employee productivity.

Ha: There is a positive and significant relationship between participatory leadership style and employee productivity.

Question number 8 (SECTION B) on the questionnaire was used to test the first hypothesis. "When workers are involved in decision-making, it increases their productivity significantly. "

Table 3: Response Analysis:

Variable	Fo	Fe	Fo-fe	(fo-fe) ²	(fo-fe) ² /fe
Strongly Agreed (SA)	42	31	11	121	3.9
Strongly Disagreed (SD)	15	31	-16	256	8.2
Agreed (A)	5	31	-26	676	21.8
Disagreed	-	-	-	-	-
Total	62				33.9

Source: Field Survey 2017.

Chi-square Formula:

$$\chi^2 = \sum \frac{(fo-fe)^2}{Fe}$$

Degree of freedom = 2

Level of significance is 0.05- determined

χ^2 Calculated = 33.9

Table Value = 5.99

Decision Rule Applies.

Since χ^2 tabulated is less than χ^2 calculated (36.7) the null hypothesis is rejected.

It therefore follows that the alternative hypothesis, which states that there is a positive and significant relationship between participatory leadership style and employee productivity is accepted with respect to this research findings.

Testing Hypothesis Two

Ho: Participatory leadership style cannot be used as a motivational tool for workers.

H1: Participatory leadership style can be used as a motivational tool for workers.

Question number 21 on the questionnaire was used to test the second hypothesis.

"When I am involved in decision making it motivates me to be more productive".

Table 4. Response Analysis.

Variable	Fo	Fe	Fo-fe	(fo-fe)²	(fo – fe)²/fe
Strongly Agree	48	31	17	289	9.3
Strongly disagree	6	31	-25	625	20.3
Agree	8	31	-23	144	113
Disagree	-	-	-	-	-
Total	62				142.5

Source: Field Survey, 2017

Chi-square formula:

$$X^2 = \frac{\sum(fo-fe)^2}{Fe}$$

Degree of freedom = 2

Level of significance is 0.05

X² calculated = 142.5

Table value = 5.99

Decision Rule Applies

Since X² tabulated (5.99) is less than X² calculated – 142.5, the null hypothesis which states that participatory leadership style cannot be used as a motivational tool for workers is rejected. This means, participatory leadership style can be used to motivate workers as stated in the alternative hypothesis.

Conclusion

Organizations are increasingly embracing the concept of participatory leadership style in the work place. This research buttress this by showing that most workers in the company studied, have actually embraced and practiced the concept towards achieving good working relationships and set goals. The two hypotheses drawn from the objectives of the study and research questions were tested and conclusions drawn from the findings. The study showed that participatory leadership style is more in use in the company than other leadership styles. A higher percentage of the population pointed out that participatory leadership is still a matter of individual managers' leadership style and not corporate policy. They however indicated that this should be a matter of company policy and not mere individual's style of leadership. Seventy percent of the workers sampled disagreed with the notion that participatory style results to a lot problems in the work place; rather, about the same percentage affirmed that participatory is a more effective approach when compared to autocratic and free reign management styles. The research has when showed that there is a positive relationship between participatory leadership style and employee productivity, while hypothesis two validates the axiom that consultative style could be used as a motivational tool to boost workers' morale.

Furthermore, this study revealed that management behaviour and leadership styles adopted by organisations play very important role in influencing workers contribution in the drive towards' growth and survival. It was also evident in the course of this study that participation in decision-making by workers relates positively with employees productivity. The morale of workers can also be boosted by the application of consultative management styles. A work environment where employees get involved in decision-making in issues that affect their work and performance do help to create a conducive and peaceful industrial setting.

Recommendations

The purpose of this study was to examine the effects of participatory or consultative leadership style on employees' productivity, and to suggest how best management and organizations can use this and other leadership styles to suit corporate objective and goals.

Judging from the findings gathered from the literature review, field work, and the two hypotheses that were tested, the following recommendations have been made:

While not ruling out the importance of other leadership approach like Autocratic and free reign depending on the circumstance, participatory leadership style has been proved to be a very effective tool towards boosting employees' level of productivity.

Management and organizations should adopt Consultative Leadership Style as a matter of corporate policy as seen in the Japanese settings, and not as an individual manager's leadership approach.

Management and organizations should take advantage of the peaceful and harmonious industrial environment usually created by this adoption of participatory leadership style.

Consultative Leadership Style can be adopted as a very effective tool for motivating workers and to boost their morale and output.

This is because it gives the sense of belonging, acceptance, self-worth, and approval, etc., to the employees as identified by Maslow being some of the conceptual human needs.

Management should create positive, conducive and encouraging work environment, so that creative and useful ideas from the workers can be played up and embraced for the advancement and progress of the whole entity.

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