

Relationship between participation and job satisfaction : Analysis of a bank organization

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ABSTRACT

The present paper is a humble attempt to analyze relationship between participation and job satisfaction in a bank organization. After a thorough review of available literature certain gaps stand identified and accordingly objectives formulated for the study. The hypothesis framed has been verified through an empirical investigation. A questionnaire has been administered and five point Likert scale used to quantify the qualitative data. The data thus gathered have been presented in tabular form and also reflected through graphical presentation. Statistical techniques like mean, standard deviation, t-value, rank correlation have been applied to draw the inferences. The paper finally offers certain recommendations. The study is duly supported by references to the context.

Key words : Participative management, Job satisfaction, Decision-making, Job involvement

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The participative management is a mechanism where workers have a say in decision- making process of an organization. Participation at plant level affects employee terms and conditions of employment. The process of participation also helps in understanding the dynamic viability of an enterprise and hence mutually assists in establishing greater flexibility, rather than precipitating a “we-they” culture. Such a process helps in the growth of an individual and creates a sense of belongingness towards the organization (Bhatia, 2006).

The view points of social scientists reflect that participative management is one of the tools of management where the emphasis is on the human approach have popularized the belief that once workers are provided

opportunities to participate in management process lead to positive gains to the organizations’ effectiveness and morale of employees which has its impact on job satisfaction. The participation is the mental and emotional involvement of a person in a group situation that encourages him to contribute to group goals and share responsibilities in them (Davis and Lansbury, 1957). Psychological participation refers to the amount of influence an individual perceives on decision-making, while objective participation is the amount of influence individual actually does have on decision- making. The former is perceptive in nature and the latter suggests impact.

The democratic participatory theory emphasizes on conditions that are necessary for effective participation and function performed by participation to the individuals and society. Through participation in decision making, individual sense of freedom increases since it gives a very real degree of control over the course of his life and structure of his environment. Participatory management practice balances the involvement of managers and their subordinates in information processing, decision- making and problem-solving endeavors (Wagner, 1994).

The other line of enquiry on participatory management is focused on its impact on organizational outcomes such as

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organization performance and work outcomes including job satisfaction, productivity, product quality (Cook, 1992) and employee and superior relations (Cook, 1992). Because of different methodologies used in their studies, the results tend to be mixed (Wagner, 1994; Huang, 1997). Employee participation has been emphasized in relation to job satisfaction (Cotton *et al.*, 1988). Past studies showed that employee participation is positively related to performance, satisfaction, and productivity of an employee (Wagner, 1994; Verma, 1995).

The job satisfaction increases productivity through bringing high quality motivation and through increasing working capabilities at the time of implementation. There is evidence that participative climate has a more substantial effect on workers' satisfaction than participation in specific decision and it appears that participation in goal setting has a strong effect on both job satisfaction and productivity. Human resource policies that encourage worker involvement aim at providing employees opportunities to have an input in decisions, incentives to discretionary effort and the means to acquire the appropriate skills (Borg, 1999).

The study:

The present paper is a humble study of a bank organization. It is deemed in the fitness of things to highlight the profile of the organization under study in Annex- 1

Organization profile (Annex. 1)

The J&K Bank Ltd. is one of the most important private sector organization in the country. The bank has advanced by leaps and bounds since it was established in 1938 by Maharaja Hari Singh. It has made significant progress in almost all spheres of business activities particularly in boosting economic-cum-regional conditions of J&K state. It has substantially helped a lot to the entrepreneurs in setting up their income generating units. Similarly, the bank with its expansion scheme has played an effective role in generating employment opportunities both direct and indirect. Also, there has been a spectacular expansion in its branch network. The expansion and diversification as well as extraordinary role played by the bank in the fast developing economy is highly encouraging. Thus, social and academic needs have been felt to investigate participation in decision-making *vis-à-vis* job satisfaction of employees of this bank. The intention is to find out its causative factors and their influence on the worker behaviour. Hence, it is in this backdrop that the present study was taken up to deliberate upon the subject. This study attempts to discuss issues, raise questions and present a general picture emerging out of these issues, and the probable answers.

Rationale :

The most important asset of a service organization like a bank is its human resource participation and job satisfaction. These enjoy a special significance to the banking industry which has become a vital instrument in the economic development of the country. Until bank nationalization in the year 1969, the pace of growth in the banking industry - both in terms of business and branch expansion - was low. After nationalization, this sector embarked upon development programmes. There are both qualitative and quantitative dimensions to the changes that have taken place in banking sector. The growth of human resource in this sector, post-nationalization of major commercial banks has been posing the biggest problem in human resource management. Banks are basically service organizations that employ large number of people so as to fulfill the organizational and national objectives. So, the principal task before bank management is to identify the conditions under which employees feel very much participative and satisfied. Thus, making better utilization of human resource to the optimum level the banks strive for better results.

Objective:

The objective of the study in the aforesaid backdrop is:

To explore possible effect of sense of participation on job satisfaction of two categories of bank employees *i.e.* managers and clerks

Hypothesis:

The study revolves round the below mentioned hypothesis:

“Job satisfaction of employees is influenced by high and low levels of participation”.

METHODOLOGY

The necessary data for the study were collected from primary as well as secondary sources. The study focused on two constructs *viz.*, (i) participation as an independent variable and (ii) job satisfaction as a dependent variable. The analysis required quantification of the data, which otherwise was qualitative in nature. Managerial as well as clerical respondents were solicited for sharing their opinions, feelings, problems and suggestions regarding the subject under study. Data pertaining to the organization was personally collected from the office records and publications of the bank.

The total number of employees in the bank is too large to be covered by individual researchers. It was therefore practical to employ the sample method of study. Accordingly the stratified random sampling procedure was used. The population was stratified as: managers and clerks. The present study was conducted in different branches of the bank. The primary data were collected by administering a pre-tested

questionnaire for the purpose of ascertaining response from the managerial and clerical personnel of the bank. The survey was conducted during the period 15th Oct.-30th Nov., 2011.

Statistical details given			
Sample size			
(A)	Employees	Managers	Clerks
NO.	232	132	100
%age	(100.00)	(56.90)	(43.10)
(B)			
High participation	30 and above		
Low Participation	29 and below		

The total sample for the study constituted 232 employees comprising 132 managers and 100 clerks working in different business units of the bank. The respondents were categorized under high participation and low participation groups. The subjects having composite score of 30 and above on participation variables were put in high participation group and the respondents having score of 29 and below were put in low participation group irrespective of their cadre *i.e.* managers or clerks. The selection of the instrument to measure employee participation is based on the premise that it is developed in view of the Indian working environment. For the purpose of this study, 9 item questionnaire developed on the basis of review of literature has been adopted with some modifications.

ANALYSIS AND DISCUSSION

The participation of workers in management refers to the mental and emotional involvement of a worker in a group situation which encourages him contribute to group goals and share responsibility of achieving them. Keeping in view the above argument considered to be the pioneers in studying

employee participation in the work place, developed the productivity and participation rationale, assuming that there is a direct link between employee participation in decision-making and work outcomes such as the increase in job satisfaction and productivity. Participation in decision - making can satisfy employees self-actualization needs and by doing so, increases employees' motivation and job performance. The empirical evidence about the effects of employee participation is still emerging but the findings of Batt and Appelbaum (1995) based on a comparison of self managing work groups and traditionally managed groups are illustrative. They found a number of positive aspects of work in self managing teams, including greater job satisfaction, organizational commitment, autonomy, identity and well meaning work.

The results of analysis are reported in Table 1. As highlighted in the table majority of the mean scores were skewed to centre of the scale. Compared to management, clerical respondents were less sanguine. Rank order correlation coefficient of .76 suggests that there was a close correspondence in perceptions between the managers and clerks. Managers believe that they are delegated enough authority to do their job well (R₁) Clerks believe that their help is sought in solving work problems (R₁). When workers help is sought in solving work problems, it tends to increase their job satisfaction (Monnappa and Saiyadain, 2005). Managers feel committed as supervisors encourage discussion while making decisions and solving problems (R₃). Clerks feel free to talk about job difficulties (R₃). Greater levels of job satisfaction results from being consulted (Johnson and Johnson, 1991). On the other hand, it has been suggested that simply treating workers as recipients of advice that stems from management decision making could be possible cause of workers resistance to change and heightened anxiety etc. Both the types of respondents feel that subordinates are often provided an opportunity to serve on committees together with

Sr. No.	Statements	Managers			Clerks		
		Mean	SD	R	Mean	SD	R
1.	Subordinates often serve on committees with their supervisors	3.46	0.78	4	3.29	0.93	4
2.	People feel free to talk about job difficulties	3.43	0.88	5	3.33	0.99	3
3.	People feel freedom and enjoy in experimenting new ideas	3.25	0.94	6	2.93	1.05	9
4.	Employees views are given due consideration on by managers/supervisors	3.23	0.87	8	3.09	1.18	8
5.	People feel committed as supervisors encourage discussion while making decisions and solving problems	3.53	0.86	3	3.22	1.19	5
6.	Management does everything to keep high morale of the employees	3.17	0.86	9	3.18	1.17	6
7.	Employees help is sought in solving work problems	3.73	0.71	2	3.59	1.00	1
8.	People are satisfied as they are given enough authority to do their job well	3.74	0.89	1	3.47	1.06	2
9.	People share strong feelings of being part of the management	3.24	0.87	7	3.16	1.00	7
	Overall	3.42	0.06		3.25	0.09	

(Rho.76)

Source: Survey data collected for the present study

their supervisors (R₄). On a climate of participatory leadership morale is quite high and labour turnover, absenteeism and grievance rates are much lower (Monnappa and Saiyadain, 2005). However, managers and Clerks (R₉) diverge in their beliefs that they enjoy with respect to freedom in experimenting new ideas. In a bank job the craving for creativity has remained a far cry since most of the jobs are repetitive and full of risk, leaving almost no room for experimentation. However, this need of managers is marginally satisfied. This analysis is also highlighted graphically (Fig. 1).

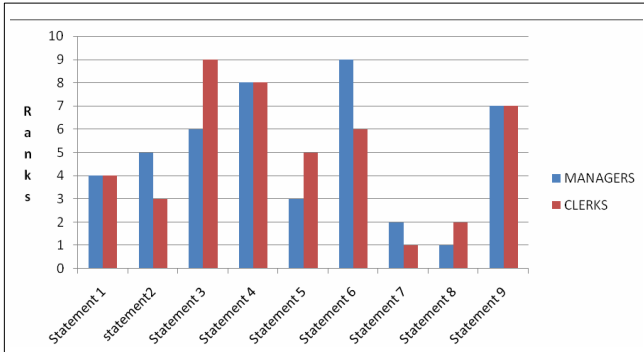


Fig. 1 : Participation ranks of managers and clerks

The participation of employees is a managerial technique for involving employees in decision- making process. Participation is an interaction in which communication occurs among participants whereby a particular set of outcomes can occur. The manner of participation and the level at which it is exercised consequently brings forth outcomes such as organizational effectiveness, job satisfaction and job involvement (Pathak, 1983). Participation provides the employees a sense of importance, consultation and partnership in joint decision making.

Table 2 reveals that the job satisfaction of high participation group is significantly higher than low participation group on all the areas of job satisfaction, *i.e.* 'Job concrete', 'Job abstract', 'Psycho-social', 'Economic' and 'Community' dimensions. High participation group exhibits

higher mean scores compared to low participation group. Maximum satisfaction was shown with 'Psycho-Social' area followed by 'Community', 'Job abstract' 'Job concrete' and 'Economic' areas. Thus the result obtained supports the hypothesis that "there is a significant difference in job satisfaction of high participation and low participation groups". High participation group was more satisfied than the low participation group. These results indicated that the sense of participation exerted its positive influence on job satisfaction ($r = 0.5683$). Hence the hypothesis formulated stands accepted. In these studies the relationship between employee participation and job satisfaction were found to be 0.16 and 0.19, respectively. Employees with low levels of work motivation have demonstrated enhanced levels of motivation following involvement in participation activities (Locke and Schweiger, 1979). Therefore, employees are more willing to get involved in decision-making, goal setting or problem solving activities which subsequently result in higher employee performance. Encouraging a more modern style of participatory management, *inter alia*, raises employee satisfaction. Participative climate has a more substantial effect on workers' satisfaction than participation in specific decisions and it appears that participation has a strong effect on job satisfaction. Human resource policies that encourage worker involvement aimed at providing employees with opportunities to have an input in decisions, incentives to expend discretionary effort and the means to acquire the appropriate skills (Berg, 1989). The results have been highlighted graphically (Fig. 2).

Conclusion and suggestion:

The study finally concludes:

- That there was a close correspondence in the perceptions of employees with respect to their sense of participation. Though employees were given the opportunity to serve on committees with supervisors. However their beliefs diverge with respect to freedom in experimenting of their ideas.
- That sense of participation positively affects employee job satisfaction. Management's commitment to changing

Dimensions of job satisfaction	High participation			Low participation			Mean diff.	t	P
	N	Mean	SD	N	Mean	SD			
Job concrete	142	20.47	2.93	90	11.01	3.04	9.46	29.664	.000
Job abstract	142	21.42	3.50	90	15.10	4.91	6.32	14.358	.000
Psycho-socio	142	27.13	3.86	90	19.00	4.87	8.13	17.712	.000
Economic	142	13.71	2.41	90	9.12	2.41	4.59	17.756	.000
Community	142	23.79	2.35	90	16.09	2.74	7.70	28.621	.000
Overall	142	21.30	4.96	90	14.06	5.22	7.24	13.333	.000

* indicates significance of value P=0.05

Source: Survey data collected for the present study

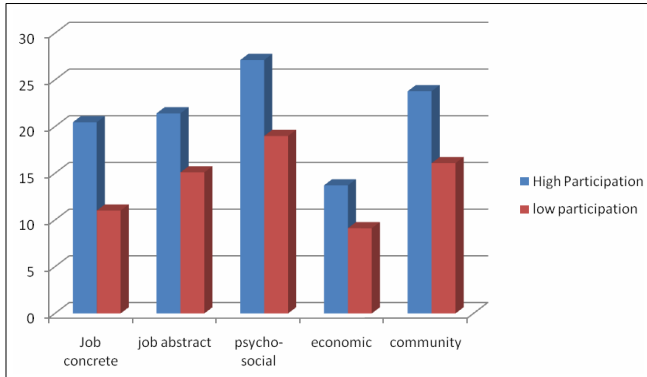


Fig. 2 : High and low participation scores

organizational culture from traditional patterns of hierarchical structure presently in vogue in the bank to participative management and empowering is accordingly emphasized upon .

- That enhanced participation leads not only to better decisions but also makes the implementation of the decisions easier and more effective due to the perception of the group members that it is their decision. Thus employees in the bank are very much personally interested in implementing decisions taken in consultation with them.

The paper offers certain suggestions based on the findings of the study

- It is suggested that employees should be involved in all the decisions that affect their jobs. The bank employees should have a positive influence on their morale, satisfaction level and subsequent service quality;
- It is of utmost importance that as much amenities as possible should be provided to employees to keep them contented. Such a philosophy should pervade in all the branches of the bank;
- It is important that all the steps should be taken to recognize and reward relevant knowledge, expertise and extra efforts of the employees in the bank;

The best way to improve the productivity is to striving for the shared goals of employees (managers and clerks).The bank accordingly should engage employees in developing mission statement, establishing policies and procedures, determining perks etc. to improve their communication and increase morale and satisfaction levels .The participative management style thus operationalized would offer various benefits at all levels of the bank organization. By creating a sense of ownership in the company, participative management would instill a sense of pride and motivate employees to increase productivity in order to achieve the organizational

goals set by the bank. Employees offered opportunity to participate in the decisions of the company would feel like they are a part of a team with a common goal, and find their sense of self-esteem and creative and innovative fulfillments heightened.

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