

# **THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT**

## **Effect of Participatory Management Practices on Employee Performance in Public Hospitals in Kenya: A Case of Kisii Level 5 Hospital**

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### **Abstract:**

*The purpose of this research was to examine how participatory management affects the performance of an organization. The objective was to find out the effects of participatory management on the performance of employees in Kisii level 5 hospital. The study sought to establish the effects of employee recognition, open communication, and decision-making on employees' performance in the Hospital. Due to this the researcher collected data to determine the relationship between participation of employees and their performance in the Hospital. The study design was a case study and the target population was 340 employees. The study was conducted by randomly selecting employees from different departments in Kisii level 5 Hospital. Questionnaires and structured interviews will be used as the tools for data collection. It was hypothesized that most managements don't use participative decision making, recognition of employees and open communication methods. This creates disparities in employee involvement thereby affecting service delivery to patients and other stakeholders. The data collected was analyzed by use of frequency tables, percentages, means, standard deviations and correlation coefficients. The analyzed data was presented in tables, charts and graphs. The findings were used to recommend to the management of Kisii level 5 Hospital through the ministry of Medical Services to implement fully the strategies on participatory management and performance of employees. The study findings could also be used by the Hospital through the ministry of Medical Services to revise policies on performance management based on involvement of employees.*

## **1. Introduction**

### *1.1. Background of the Study*

Employee participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal, Locke and Schweiger (2001); Wagner (2004). Participatory management practice balances the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors, (Leach-Lo'pez, Stammerjohan and Lee, 2009). Coch and French (2009) are considered to be the pioneers in studying employee participation in the workplace. They developed the productivity and efficiency rationale, assuming that there is a direct link between employee's involvement in decision-making and work outcomes such as the increase of job satisfaction and productivity. Participation in decision-making can satisfy employees self-actualization needs and, by doing so, increase employees motivation and job performance, Likert (2001). These early theoretical contributions on participation were not taken seriously until the mid-1980s when major works such as Lawler (2006) started to emerge and make some significant impact on both academic and business circles.

Another line of enquiry on participatory management is focused on its impact on organizational outcomes such as organization performance and work outcomes, including job satisfaction, Rooney (2007), productivity, Rooney(2007; Werneke and Levitan (2004), product quality, Cooke, (2002), absenteeism, Voos, (1999) and employee and superior relations, Cooke (2000). Because of the different methodologies used in those studies, the results tend to be mixed (Wagner, 2004; Ledford and Lawler, 2003; Huang, 2007). The best way to improve productivity is by striving for the shared goals of employees and managers. By allowing worker input into developing the mission statement, establishing policies and procedures, determining perks, etc., one can improve communication and increase morale and satisfaction. The study adopted the following variables: decision making; recognition management; communication; learning and sharing; organizational commitment and engagement to assess the impact of participatory management practices on organizational performance.

### *1.2. Statement of the Problem*

In every organization which seeks to attain its objectives there must be a reaction after every action. According to Towers and Chen (2008), management success should be measured by effective interlinks among top to lower management levels while

propagating energy and synergy in the enterprise. The medical industry is such sensitive to the amount of service offered to the clients at any time of the service. No single organization can effectively serve its customers in the middle of wrangles and miscommunication among the echelons of power and the rest of the staff. In supporting an organization's management strategies, all employee activities must enhance organizational structure and culture increasing the client and values of the organization (Henry, 2002). Different organizations have their different strategies, programs and mechanisms for successful practice of participative management in traditional organizational structure.

Participative management is considered as a significant factor for the effectiveness of the organization and their employees. Employees feel dignity, status and honor to take a part in decision making of the management. Participative management provide sense of achieving goals, increase their morale and enhance information about organizational policies (Jena & Rautaray, 2010). Autonomy in work, team building and team work emphases by participative management in public sectors (Branch, 2002). Complexity of business environment and frequently decision making depends on cultural orientation and role of managers to encourage employee's participative behavior and to move them with the current pace of world for agility and flexibility of organizational culture (Singh, 2009). According to Bititci, et al (2006), the management focusing on different ways to build employee's loyalty, work commitment and job satisfaction through their active participation in managerial decision making while adjusting reward system and fringe benefits to keep them motivated and committed with the organization.

Trevizan and Mendes (2005) found that the major aspect of employee's participative behavior is the transparent and clear attention on client's satisfaction and gratifying the basic needs of the clients. To achieve this objective basic participative management principles are used to care of the clients through decentralizing of information and mutual support of staff and colleagues in creativity and innovation for caring of clients as team work. Crane, Dillard and Hamilton (2003) assert that it is difficult to predict pros and cons of participative management approaches and its impact on organizational outcomes. Employee's dissatisfaction with pay plan system, and participative approaches illustrates historical and cultural context of employees and their impact on positive and negative consequences of employee's participative management approaches and collaborative team work.

According to Wagner (2004), the ever changing rate of competition among related service industry players offers opportunity for embracing total inclusiveness of employees on management issues. In order to act towards organizational goals of increased productivity in terms of the number of customers served in a year and profits thus gained, it is important to re-engineer the style of management to include participatory management where all employees feel part of the organization and not just another arm of the firm. This research therefore is to establish whether this holds for Kisii Level 5 Hospital. Managers must consider how participatory management affects their decisions and how their decisions affect the customer service, but, most organizations do not adopt participatory management as a tool of success (Badawy, 2003). Its involvement is regarded by many as a primary guarantor of sharing responsibility and services and a new way of losing control of their departments. The study therefore sought to find out the effect of Participatory Management practices on Performance of employees; a case study of Kisii level 5 Hospital in Kisii county, Nyanza province. The research was meant to fill the gap identified above.

## 2. Objectives of the Study

### 2.1. Broad objective

To determine the effect of participatory management practices on the performance of employees in Kisii Level 5 Hospital

### 2.2. Specific Objectives

The study was guided by the following specific objectives;

- To establish how employee recognition affects employee performance in Kisii Level 5 Hospital.
- To establish how participatory decision-making affects employee performance in Kisii Level 5 Hospital.
- To establish how open communication affects employee performance in Kisii Level 5 Hospital.

## 3. Theoretical Framework

### 3.1. Organizational Socialization Theory

According to Naele and Northcraft (1993) organizational socialization is the process by which organizations' goals norms and preferred ways of doing things are conveyed to the new employee. Socialization moulds the new employee to fit the organizations and it argues that the more intense it is done the more similar the employee fits as he/ she comes to appreciate the values, abilities, expected behaviour and social knowledge that are essential for assuming an organizational role. This can be done through careful selection of entry level candidates, training that involves mastery of the core disciplines, measuring operational results and rewarding individual performance comprehensively, careful adherence to firms' transcendent values to establish trust between the organization and the individual, reinforcement of folklore through emphasis of code of conduct of how things are done and consistent role model ling that is a kin to consistent traits that are associated with successful organization.

The TPI theory asserts that new employees need to develop theoretical (T), and practical (P) skills towards performance of the new job, but they also need to satisfy needs of interaction (I) that exists among the new. The three conditions must be fulfilled for employees to become integrated to the organization and for them to play a critical role under the socialization to the organization in terms of performance, attitudes and organizational commitment. Chao (2012) in reference to the works of Maanen and Schein's organizational socialization theory emphasizes that there is a dynamic adjustment and socialization process that occurs when an individual assumes a new or changing role within an organization. The theory postulates that individuals undergoing any organizational transition are in an anxiety producing situation and that they try to reduce this anxiety by learning functions and

social requirements as quickly as possible. This enables individuals to assume an organizational role that fits the both the organization and an individual needs through participation. He further states that all employees should be integrated in identifying with activities around them. In conclusion they say that the stability and productivity of any organization depends largely upon the ways in which the management relates with all the employees and how they eventually to carry out their tasks.

### *3.2. Empirical Studies on Participatory Management*

As noted in the brief overview of the development of management thoughts, the behavioral school has most directly influenced the development of the concepts of participatory management. The field of organizational behavior most impacted the practice of participatory management principles and skills. Beginning in the mid 1950's and continuing even today, much has been written about participatory management.

Alderman (1999) found that participation had a positive impact on targeting of social assistance in Albania. Bardhan and Mookherjee (2003) similarly found that participatory management advanced poverty alleviation goals in West Bengal, India. The same results were confirmed by Galasso and Ravallion (2001) for Bangladesh. Habibi et al (2001) studied the impact of devolution on social sector outcomes in Argentina for the period 1970-94 and concluded that participation had a positive impact on delivery of education and health services as well as reducing intra-regional disparities. Eskeland and Filmer (2002) using a cross section data from Argentine schools also found that participation of education led to improvement in school achievement scores. Faguet (2001) also found that participation in Bolivia helped improve consistency of public services with local preferences and quality and access of social services. Foster and Rosenzweig (2001) concluded that in India democratic participation led to improved allocation for pro-poor local services. Santos (2007) discovered the same effect in Porto Alegre, Brazil with participatory budgeting. Isham and Kahkonen (2009) observed improvements in water services in Central Java, Indonesia with local community management. King and Ozler (2008) observed that participatory management of schools led to improvement in achievement scores in Nicaragua. Estache and Sinha (2005) using data on a cross-section of industrial and developing countries found that participatory management leads to increased spending on public infrastructure. Huther and Shah (2006) and Enikolopov and Zhuravskaya (2003) using cross-section and time series data for a large number of countries found that participatory management contributed to improved delivery of public goods provision.

Ravallion (2008) found that in Argentina, poorer provinces were less successful in favor of their poor areas and participation generated substantial inequality in public spending in poor areas. Azfar and Livingston (2002) did not find any positive impacts of participation on efficiency and equity of local public service provision in Uganda. West and Wong (1995) found that in rural China, participation resulted in lower level of public services in poorer regions.

Several studies observed mixed or inconclusive impacts of participation. Azfar et al. (2000) for Philippines and Uganda, concluded that while local governments do appear to be aware of local preferences, their response is often inadequate as they are hamstrung by procedural, financing and governance constraints. Khaleghian (2003) using data for 140 countries found that while participation improved the coverage of immunization in low income countries, opposite results were obtained for middle income countries. Winkler and Rounds (1996) reviewed Chile's experience with educational participation and concluded that it resulted in improvement in efficiency of provision but also experienced decline in score on cognitive tests.

Several other studies found that the impact of participation is either negative or inconclusive. Davoodi and Zou (2008) and Xie, Zou and Davoodi (2009) using various data sets for the developing countries, developed countries, and time series data of the US discovered that participation was associated with slower growth. Zhang and Zou (2008) found that participatory management in China contributed to lower provincial growth. According to Davoodi and Zou (2008) and Zhang and Zou (2008), the negative association between participation and economic growth may indicate that in practice local governments may not be responsive to employees' preferences and needs. The merits of participation have to be measured relative to existing revenue and expenditure assignments and the stage of economic development. According to Zhang and Zou (2008), further participation may result in slower overall economic growth. Rodriguez-Pose and Bwire (2003) found a negative impact of participation on economic growth for Mexico and the USA but no impact for Germany, India, Italy and Spain. Phillips and Woller (2007) and Matinez-Vazquez and McNab (2003) could not find a statistically significant relationship between participation and economic growth for a cross-section of countries.

## **4. Research Methodology**

### *4.1. Research Design*

A case study design was used to study the target population who were issued with questionnaires with open and close ended questions to ascertain the impact of participatory management on performance of employees. According to Mugenda and Mugenda (2003) a case study gives a clear description of the elements in the study range. Also, McLean (2005) and Patton (2002) asserts that a case study uses data derived from case studies which not only allows the researcher to bring out details from the point of view of participants, but it also tends to be selective; focusing only on issues fundamental to the objects of the study.

### *4.2. Target Population*

The population of interest was employees of Kisii Level 5 Hospital located in Kisii town. They included hospital record officers, catering, hospital accountant, procurement officers, nurses, medical doctors, hospital administrator, nutritionist and clinical officers. The total number of target population was 1 catering officer, 2 nutritionists, 3 procurement officers, 245 nurses, 57 medical doctors, 1 hospital accountant, 1 hospital administrator and 27 clinical officers giving a total of 340 officers, who were

employees of the Kisii Level 5 Hospital. According to Mugenda and Mugenda (2003) target population is the complete set of individuals, cases or objects of the study.

Category	Population	Percentage
Catering	1	0.29
Hospital records officers	3	0.88
Procurement officers	3	0.88
Nurses	245	72.06
Medical Doctors	57	16.77
Hospital accountant	1	0.29
Administrator	1	0.29
Nutritionists	2	0.59
Clinical officers	27	7.94
<b>Total</b>	<b>340</b>	<b>100</b>

Table 3.1 Target Population

## 5. Data Analysis and Presentation

The raw data was organized alongside the research objectives. According to Patton (2000) massive qualitative data collected from the field need to reveal the essence of data. Before the actual data analysis, questionnaires were edited and each was given a serial number so as to differentiate between the respondents. Both quantitative and qualitative data was analyzed. Quantitative analysis was done using simple descriptive statistics of mean, frequency tables and percentages. This enabled the researcher to meaningfully describe a distribution of scores. Qualitative data was organized alongside the research objectives and questions and was presented in narrative form. Quantitative data was presented using tables, charts and graphs.

## 6. Results and Discussion

### 6.1. Introduction

This chapter reports the study findings by representing a comprehensive analysis of the data. The reason for this qualitative section in a study that is mainly considered quantitative in nature was to provide more information of the underlying issues pertaining to employee participation in making management decisions in the hospital activities. This assisted to understand and interpret the quantitative results. The study benefited from a rich qualitative data through key informant interviews and the questionnaire. The nature of the interviews and questionnaire was open ended, exploratory and focused on the practical issues which existed in the hospital. This section relied mainly on inductive reasoning process and basic exploratory statistics to interpret and the meanings that could be derived from the data collected. A total of 40 questionnaires were distributed to the respondents within the hospital in different departments. A response of 100% was obtained from all the departments. The main objective of this section was to use qualitative data in a process of inductive reasoning within the context of economic theory in order to generate ideas, as opposed to hypothesis testing.

### 6.2. Correlation Coefficient

It is a measure of association between two numerical variables. Being a ratio, it is given as;

$$R = \frac{N(\sum XY) - (\sum X)(\sum Y)}{\sqrt{(N(\sum X^2) - (\sum X)^2)(N(\sum Y^2) - (\sum Y)^2)}}$$

Where;

- R is the correlation coefficient
- N is the number of elements
- X is the independent variables
- Y is the dependent variables

### 6.3. Employee Recognition

#### 6.3.1. Extent to which forms of employee recognition are used

The researcher sought to know the extent to which some forms of employee recognition are used in the hospital. Their responses were recorded in the table 4.4

Forms of Recognition	Monetary awards	Personal "Thank You"	Employee of the month award	Verbal appreciation in staff meetings	Increased authority	Department awards	Banquets or breakfasts
Monetary awards	1.00						
Personal "Thank You"	1.00	1.00					
Employee of the month award	0.44	0.51	1.00				
Verbal appreciation in staff meetings	(0.34)	(0.26)	0.64	1.00			
Increased authority	(0.18)	(0.11)	0.77	0.98	1.00		
Department awards	0.97	0.98	0.65	(0.09)	0.07	1.00	
Banquets or breakfasts	(0.40)	(0.38)	(0.03)	0.58	0.47	(0.32)	1.00

Table 4.5 Analysis using correlation coefficient.

The analysis in table 4.5 showed that the workers preferred departmental awards, increased authority and the monetary awards over other practices and that they affected performance positively. In table 4.5, the coefficients show that employee of the month award, department awards and increased authority positively influence the dependent variable as the values are highly positive. From the result, it shows that the independent variable of employee recognition has positive and significant relationships towards dependent variable but verbal appreciation and banquets are not having a great significant relationship towards dependent variable. Generally all the forms of employee recognition have a positive correlation showing that employee recognition affects performance of employees in the hospital.

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