

Workers Participation in Decision Making Processes: The Case of Commercial Bank of Ethiopia (Head office)

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1. Background of the Study

Traditionally, most managers and subordinates, consider decision-making is only the responsibility and duty of managers. However, even if the major player may be the manager, every respective and affected body by the decision should be participated.

Much of managers' time is spent working with other people, and much of what managers does is, therefore, influenced by others frequently, even where an individual manager has the responsibility for solving a specific problems, getting the decision put in to effect requires the involvement and participation, and therefore commitment of others, (Ayalew .K, 2003).

Over the past years, research effort has shown, participative decision making have a positive effect on workers' satisfaction and productivity. As organization consists of peoples, they make decision on their environment. The problem of decision-making depends on the acceptability by the majority, which creates mutual interest to achieve the common organizational goals. Therefore, the decision maker or manager should adopt participatory approach to create conducive environment within the organization before passing any decision. Because, this enables them to create mutuality, which is the basis to the creation of synergy in the proposed decision.

2. Statement of the Problem

Ideally, managers know decision making is a process that in one way or another affects people "it is a process made by people to people and for people" (Ivancevich & Matteson, 1990). However, when we came to the practical setting, particularly the organization

under study, decisions are undertaken at different levels concerning different issues. But information from informal groups within the organization shows that most of these decisions are made in centralized manner. Workers were, thus, not involved in the planning, decision making and other important activities done by the organization. Due to this, workers lack a sense of belongingness, organizational commitment, motivation in their work. This lack of autonomy gradually made them develop negative feelings towards the organization. Such factor can have significant impact over the CBE's current and future performance, position and competitiveness in the industry.

Furthermore, the success of CBE is highly affected by the quality of decisions. To make sound decision, all employees affected by the decision must have a say or participate in decision-making process. Since workers are at the center in implementation of plans or decisions, it is difficult to attain the desired result without their contribution and willingness.

3. Research Questions

This study attempts to seek answer for the following basic questions.

- ❖ To what extent are the workers involved in decision-making?
- ❖ What kind of decision-making approaches are mostly used by the organization?
- ❖ In what types of decision-making are workers mostly involved?
- ❖ To what extent are workers satisfied with the decision making processes of the bank?
- ❖ Do they involve in the development of the strategic plan of the bank?
- ❖ Would managers accept the idea raised by workers or filter it when they pass the decision?
- ❖ What kind of feeling and level of awareness do workers have regarding decision-making practice?
- ❖ What is the level or degree of decision-making authority that departments/sections enjoy?

4. Objective of the Study

The general objective of the study is to investigate whether Commercial Bank of Ethiopia significantly involves its workers in its decision making process at various levels. Specifically, the objectives of the study include the following.

- ❖ To examine whether the organization adopts participatory decision-making approach or not;
- ❖ To identify the problems encountered due to authoritative decision-making;
- ❖ To assess the extent of workers involvement in decision-making;
- ❖ To indicate the type of decision allowed for participation;
- ❖ To assess to what extent employees are satisfied by the decision making practice;
- ❖ To assess the level of autonomy given to each department or sections;
- ❖ To inform the benefit obtained from participative decision making;
- ❖ To suggest possible solutions for the problem at hand.

5. Research Design and Methodology

The study employed descriptive research method. The overall employees and managers at deferent levels within the head office of the Commercial Bank of Ethiopia were considered as a population for the study. Among the total population of 1,053 i.e., 972 employees and 81 mangers were included in the study, 10 % of them were selected as sample respondents. In order to categorize the total population, stratified sampling method is used. Also Simple random sampling technique is used to take sample from each stratum because; each member of the population under study has an equal chance of being selected.

All relevant and useful primary and secondary data were collected to make the study complete and accomplish its stated objectives. Primary data was collected through interview with managers and distribution of questionnaire to employees. The researcher used questionnaire because, it kept the privacy of respondents, and it is cheap and can gather large information from wider respondents. Beside, interview is used in order to cross check the data obtained from employees and managers. Secondary, data were

collected from different written document, such as books, magazines, journals, company profile, reports; enter net web page and other important documents for the study.

Results of the study are summarized using descriptive analysis method. Thus, percentages and frequency counts are used to analyze and interpret the data collected from sample respondents.

6. Summary, Conclusion and Recommendations

In order to achieve the study objective, related literatures were reviewed, relevant interview questions were conducted and questionnaires were distributed to sample respondents. Based on the analysis of the data, summery of the findings, conclusions and recommendations are presented here under.

6.1 Summary of major findings

- According to respondents, the majority of employees in CBE do not feel that they are sufficiently involved in the decision making process of the organization. Moreover, the data obtained from interview showed that decision-making is relatively not participatory.
- Accordingly, the majority responded that, an operational decision made at lower management group seems better. However, a significant number of employees said that they are not participating in all decisions made in the bank.
- With regarded to employees involvement in strategic planning, information obtained from both management and employees indicate, strategic plan development process incorporates only top management of the organization.
- The majority of employees and managers confirmed that employees have high potential with respect to contributing valuable comments and suggestions. Which strengthen the effectiveness of the decision made by the bank since majority of them are well educated.
- Regarding autonomy of departments on deciding on a certain issue, both the management and employees agreed that departments could not decide on any issue since decision is made in a centralized manner.

- With regard to the action taken by the management of the bank, in order to create employees centered decision-making practice, the majority of employees agree moderately with the effort made by the bank. Moreover, the management of the bank said, there is no as such visible task is done concerning this issue. However, they are planned to be done by different activities concerning overall improvement with regard to employees.
- As per the majority of the employees, CBE has somewhat the problem of decision-making. This might be due to decisions made by top government body of the organization without considering different factors that influence effectiveness of decisions.
- Finally, the suggestion given by employee to open-ended questions indicated that, the bank should provided opportunities for employees to involved in decisions made at all levels.

6.2 Conclusions

Based on the findings of the study, the following conclusions are drawn:

- The study reveals that the majority of employees have some sort of doubt concerning their involvement in decision making because, employees could not have saying and participate in the decision, and this implies that most of the employees have uncomfortable feelings towards their organization.
- Majority of the bank employees didn't participate in decisions made on strategic issues. This means that they do not have the chance to contribute ideas in setting company vision, mission and value statements, which affects its effective achievement.
- The majorities of employees were not sufficiently satisfied with the management decision; this may affect effective implementation of the decision.
- Employees of head of CBE are not fully satisfied by managers' attitude towards accepting their comment and suggestion. This might result lacking organizational citizenship and cooperation of employees.

- The study indicates that, employees' have the potential to contribute more to the effectiveness of the decision-making. This might indicate the level of openness of the bank to accept new technology.
- The study revealed that there is no power given to departments to decide on certain issues. This might arise as a problem because, centralized decision-making practice affect the autonomy of departments and create dalliances in service giving.
- The study also revealed that, there is no clearly observed activity done by the bank for the creation of employees' centered decision-making practice. Thus, this may result in lack of belongingness and may be a demotivation factor for employees.
- Currently, CBE is somewhat with in a problem associated with decision making. Employee response evidenced that; this might be because of improper implementation of organizational structure and centralized system of the bank.
- Lastly, employees suggested that the bank must create the opportunity for involvement of at least employees with good educational background and rich in business experience in the decision in order to create sustainable growth to the bank as well as the country in general.

6.3 Recommendations

As much as possible, having and utilizing human resource is mandatory for each and every organization. However, this is not the case rather how we can utilize this unique resource for the efficient achievement of overall organizational goals & objectives. In light of the major findings that have been discussed so far, the student researcher recommends the following points.

- In order to achieve a desirable level of professional commitment among workers, CBE should involve its workers in decision-making process.
- For effective implementation of decisions made in different level, the bank should be adopting participatory decision-making approaches.

- In order to create high level of satisfaction among its employees, it is recommended that CBE re-evaluate its decision-making practices.
- CBE should create the system of unity, to fill the gap between employees and management groups.
- In order to avoid service delay and customer inconvenience, CBE should delegate certain level of decision making power for operation department
- To keep morale and motivate employees, CBE should extend its effort in creation of employees' centered decision-making practice.
- In order to enhance employees' accountability in their position, CBE is strongly advised to evaluate its organization structure whether properly implementing and supports the day-to-day service delivery operation of the bank.
- Finally, CBE is advised to abolish centralized system of decision making and creating a system where employees and managers at different levels discuss and approve an issues of the organization together because it affect survival of the bank and its effectiveness in the existing industry.