

EMPLOYEE PARTICIPATION AND ORGANIZATIONAL SURVIVAL IN SELECTED MANUFACTURING FIRMS IN PORT HARCOURT, NIGERIA.

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Abstract

This study evaluated the interrelationship between employee participation and organizational survival. In implementing the research a sample of 86 management staff from 5 manufacturing firms in Port Harcourt were surveyed using questionnaire. A non-parametric statistical tool Spearman Rank correlation co-efficient with the aid of SPSS was adopted to attest to the correlation between the criterion and predictor variable. Partial correlation was used in analyzing the effect when culture as the moderator on both constructs. The findings showed that team work and information sharing have influence on organizational innovation and adaptability in manufacturing firms. From the findings, we conclude that employee participation is significantly related to survival of organizations. We recommend that firms need to constantly hold culture committee to initiate some simple ideas that will build momentum in the workplace.

Keywords: Organizational Survival, Team work, information sharing, innovativeness.

I. INTRODUCTION

Maintaining a place in this competitive era becomes not only the responsibility of the owners or leaders of the organization but that of the employees (Oke, & Olughor, 2014). Organizational survival has been the primary goal or objective of every organization (Adewale, Abolaji and Kolade, 2011). Survival is very crucial at this period of business turbulence. Organizations strive for survival and continuity, while seeking relevance and key positions in the industry. Jones & Bartlet (2008), posit that survival and growth of organizations are contained in its goals which require energy and resources investment. From the observation, survival concept is an unwritten law of every organization and when organizations survived, without doubt, there will be available goods and services and the

organization will be in continue operations, and Gross (1968), adds that survival should be an expedient factor for organizations interest.

Organizations encourage employee participation and creativity as means of Smith (1994), postulated that in the changing workplace and aggressive market organizations should encourage participation and creativity as means of continuity, Many companies seem to make effort by offering reward for new or ingenious clue to it workforce which overtime has lacked regulations attempt (Serkan, 2009). Therefore, Employee participation is the involvement of more employees have access to certain arrangement and decision (Shelly 2000:7).

However, Pendleton (2001) made the suggestion that employee participation is an essential ingredient for organizational survival and this worth considering. Comparatively exiguous labourers work in union and amount of literature on participation of employees need augmented discussion in relation to the modern increased competitive business environment.

However, in the review of past studies, despite the level of work that has been done, only few studies try to discuss some specific aspects of employee participation that can affect survival of organizations. This has necessitated more work to be done on the extent to which employee participation affects organizational survival especially in selected manufacturing firms in Port Harcourt. Given this knowledge gap, our point of departure from previous studies is to empirically establish the relationship between employee participation and organization survival.

II. REVIEW OF RELATED LITERATURE

Concept of Employee Participation

Employee Participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal (Wagner, 1994). Employers seek productive efficiency but many of them fail to recognize that the means to this is increasingly locked in the heads of the people they employ. Again, the rise of global institutions presents other problems for workers as corporate decisions become more distant from the staff that they concern: a decision made to close a plant in one country may have been made many thousand miles away with little opportunity for indigenous employees to contribute or even question decisions that dramatically affect their lives (Doyle & Nathan, 2001; Felstead et al., 2003).

Quagraine (2010) definitions of participation abound. Some authors insist that participation must be a group process, involving groups of employees and their boss; others stress delegation, the process by which the individual employee is given greater freedom to make decisions on his or her own. Some restrict the term 'participation' to formal institutions, such as works councils; other definitions embrace 'informal participation', the day-to-day relations between supervisors and subordinates in which subordinates are allowed substantial input into work decisions. In this study, two dimensions of employee participation were reviewed.

Team Work

In almost every company or organization, teamwork plays a vital role in getting things accomplished. It is an effective way to reduce the organizational hierarchy and increase the employee involvement. According to Quick & Nelson (2003), teamwork involves people with complementary skills who share common mission and goals. Although a widespread

consensus acknowledges the prevalence of teams in society, the research literature reflects only marginal agreement concerning the definitional components of teams. The variance in definitions is due in part to the diversity of team types. Teams carry a variety of purposes (e.g., learning, producing a product, solving problems, gaining acceptance), forms (e.g., virtual, co-located), and sizes and longevity (e.g., adhoc, long term) (Cohen & Bailey, 1997). Teamwork has traditionally been described in terms of classical systems theory in which team inputs, team processes, and team outputs are arrayed over time. Here, team inputs include the characteristics of the task to be performed, the elements of the context in which teamwork occurs, and the attitudes team members bring to a team situation. Team process includes the interaction and coordination among members required for performing team tasks and achieving specific goals. Team outputs consist of the products that result from team performance (Hackman, 1987; Ilgen, 1999; McGrath, 1984). With regard to teamwork, the process phase is the defining point at which teamwork occurs; it is during this phase that team members interact and work together to produce team outputs. According to Quick & Nelson (2003), Ancona, 1987 the focus shifts to a group in its environment. Here the group is seen as part of an interconnected web of individuals, groups, and departments that depend on one another to get particular organization tasks done.

Information Sharing

In the current information-driven and technologically based global economy, organizations are becoming increasingly dependent on the cumulative knowledge of their employees, suppliers, customers, and other key stakeholders. An organization's ability to share this knowledge among organizational members is key to its competitive advantage (Bock, Zmud, Kim, & Lee, 2007; Brown & Duguid, 2000; Small & Sage, 2006) In (Hatala & Lutta, 2009). Information sharing is very important to an organization's high competitiveness and demanded a free flow of information among members that is undistorted and up-to-date (Childhouse & Towill, 2003; Li & Lin, 2006; Moberg, Cutler, Gross, & Speh, 2002; Rahman, 2004; Tan, Lyman, & Wisner, 2002). Furthermore, extensive information sharing within organizations still appears to be the exception rather than the rule (Bock et al., 2007; Davenport & Prusack, 1998; Li & Lin, 2006). According to Li and Lin (2006), intensified competition and globalized markets are some of the challenges associated with getting products and services to the right place at the right time and at the lowest cost. These challenges, for instance, have forced organizations to realize that it is not enough to improve their efficiencies; rather, their entire supply chains have to be made competitive. One way for organizations to do this is to support information sharing among their work groups (Li & Lin, 2006). Moberg et al. (2002) observe that information sharing is a key ingredient for organizations seeking to remain competitive. The understanding and practice of information sharing is becoming increasingly essential for organizations to stay competitive and boost profitability. Research on supply chain management suggests that the key to the profitability of an organization lies in the seamless supply chain. Some organization deliberately limit sharing of information and knowledge because of the threats associated with industrial espionage and concern about diverting or overloading employees' work related attention (Constant, Kiesler and Sproull, 1994).

Hatala, and Lutta (2009) stated that invisible barriers such as security, politics, regulations and management decision cripple the seemingly simple act of sharing information in organizations. Information sharing is a three-stage process: information acquisition, information dissemination, and interpretation of the information (Drake et al., 2004; Sinkula, 1994).

Concept of Organizational Survival

The survival of a firm depends on its ability to survive with its internal and external environmental factors. Drucker (1979) says that corporate performance should portray how effective and efficient is in terms of its profitability, growth, cost minimization and productivity. Schumpeter argued that innovation plays a key role for the survival of firms, innovation “strikes not at the margins of the profits and the out of the existing firms but at their foundations and their very lives” (Schumpeter, 1942:84). The nature of technology also shapes the likelihood of survival, as revealed by a classification of firms according to Paritt, (1984). Every organization works towards survival. As survival is the major goal of most of most organization (Barnard, 1947). Paying attention to this goal contributes to the satisfaction and execution of other organizational goal.

Organizational survival has been the most interesting topics for organizations over the years. Organizations exist to survive in the midst of environmental factors that tend to encroach on business performance. Organizations attempt to maintain the existing state of affairs, but essentially the larger part of their efforts is tilted toward survival (Mindy, 1998). The competition in the industry is getting stronger and firms are adopting different strategies to be competitive in the industry. Surviving in the global struggle to meet with increasing demand on firms in the market place has seen many researchers and academicians having a resort to pay attention to the individual employees in the organization since innovation in product and services are brought about by these individuals. In this study, two measures of organizational survival were reviewed.

Innovation

The concept of innovation was first introduced by Schumpeter (1949). Innovation was emphasized in entrepreneurial process by describing the growth of economies as driven by changes made to the existing market structure through the introduction of new goods and services. Similarly, the entrepreneurial orientation literature describes innovativeness as efforts focused on the discovery of new opportunities and solutions (Dess and Lumpkin 2005). Thus innovation are described in terms of individuals creative ability who strongly believe in what they do and promote it through organization stages to arouse support for the business concept among key stakeholders, creates internal acceptance of the new idea, and represents the venture to resource allocators to ensure sufficient resources are released for development (Howell & Boies, 2004; Howell, et al., 2005; Markham, 1998). These changes include providing resources for technical development and acquiring the support of others in the organization or in outside organizations. Gaining this support requires negotiation, bargaining, and coalition building. Organizational change, then, is a very complex process. Change of this sort can be very difficult. Significant innovations can be resisted; fall victim to competing ideas, or fail to be sustained (Massachusetts Institute of Technology). Evans (2013) argued that organizational innovations are instances of organizational change that: result from a shift in underlying organizational assumptions, are discontinuous from previous practice, and Provide new pathways to creating public value. He further explained that, innovation, takes an organization and its programs, down a new, previously unpredictable path which turns out to be deeply linked to the organization’s purpose.

Adaptability

Adaptability is the degree to which an organization has the ability to alter behavior, structures; and systems in order to survive in the wake of the environmental change (Denison, 2007). Adaptability entails translating the demands of business environment into action. Organizations as open systems exist in environment that is complex and uncertain. To survive

and make profit, organizations need to adapt continuously to the different levels of environmental uncertainty (Amah and Baridam, 2012).

Environmental uncertainty represents an important contingency for organization structure and internal behaviors (Daft, 1998). Organizations need to have the right fit between internal structure and the external environment. Adaptability has also come to be considered an important response option worthy of research and assessment, not simply in order to guide the selection of the best mitigation policies, but rather to reduce the vulnerability of groups of people to the impacts of change, and hence minimize the costs associated with the inevitable (Kane and Shogren, 2000; Smit and Pilifosova, 2001).

Adaptation is defined as the modification and alterations in the organizations or its components in order to adjust to changes in the environment (Cameron, 1984). Adaptability is defined by Buch (2009) as an organization's capacity to embrace change or be changed to fit an altered environment. Adaptation is not viewed as a one stop process of organizational change but as a continuous process during an organization's life cycle. Davenport (1993) stresses that adaptation is a process of organizational change that should be practiced in the context of a continuity process of human and organization improvement over time (Davenport, 1993). This enables an organization and its people to effectively adapt to environmental change (Guha, Grover, Kettinger, & Teng, 1997).

III. RESEARCH METHODOLOGY

The cross sectional survey of the quasi experimental design was adopted for the study. The study focused on the (31) manufacturing companies that are registered with Manufactures Association of Nigeria (MAN) Port Harcourt chapter and the unit of analysis was at organizational level which accessible population of interest in this research work consists of five (5) manufacturing firms in aluminum, iron and steel subsector group. The population of the study consisted of 86 managers. 86 copies of questionnaire were distributed and when retrieved, only 81 were appropriately filled and was used for the analysis. The simple random sampling technique was used in selecting the respondents. The Spearman's Rank Order Coefficient statistical tool was used to test the hypothesis formulated with the aid of statistical package for social science (SPSS).

IV. RESULTS AND DISCUSSION

Hypothesis One

Ho1: There is no significant relationship between Team Work and Organization Innovation.

Table 1: Test of relationship between Team Work And Organization Innovation. Correlations

			Team Work	Organizational Innovation
Rho	Team Work	Correlation Coefficient	1.000	.978**
		Sig. (2-tailed)	.	.000
		N	81	81
	Organizational Innovation	Correlation Coefficient	.978**	1.000
		Sig. (2-tailed)	.000	.
		N	81	81

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the analysis in the table above shows a significant correlation ($r=.978^{**}$, $n = 81$, $p < 0.05$). Hence, there is a strong relationship between Team work and organizational innovation in Manufacturing firms Port Harcourt. Based on this, the null hypothesis was rejected.

Hypothesis Two

Ho2: There is no significant relationship between Team Work and Organization Adaptability.

Table 2: Test of relationship between Team Work and Adaptability

			Team Work	Organizational Adaptability
Rho	Team Work	Correlation Coefficient	1.000	.978**
		Sig. (2-tailed)	.	.000
		N	81	81
	Organizational Adaptability	Correlation Coefficient	.978**	1.000
		Sig. (2-tailed)	.000	.
		N	81	81

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the analysis in the table above shows a significant correlation ($r=.978^{**}$, $n = 81$, $p < 0.05$). Hence, there is a strong relationship between Team work and organizational Adaptability in Manufacturing firms Port Harcourt. Based on this, the null hypothesis was rejected.

Hypothesis Three

Ho3: There is no significant relationship between Information Sharing and Organizational Innovation

Table 3: Test of relationship between Information Sharing and Organizational innovation

Correlations				Information Sharing	Organizational Innovation
Rho	Informational Sharing	Correlation Coefficient		1.000	.992**
		Sig. (2-tailed)		.	.000
		N		81	81
	Organizational Innovation	Correlation Coefficient		.992**	1.000
		Sig. (2-tailed)		.000	.
		N		81	81

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the analysis in the table above shows a significant correlation ($r=.992^{**}$, $n = 81$, $p < 0.05$). Hence, there is a strong relationship between Information sharing and organizational Innovation in Manufacturing firms Port Harcourt. Based on this, the null hypothesis was rejected.

Hypothesis Four

Ho4: There is no significant relationship between Information Sharing and Organizational Adaptability

Table 4: Test of relationship between Information Sharing and Organizational Adaptability

Correlations				Informational Sharing	Organizational Adaptability
Rho	Informational Sharing	Correlation Coefficient		1.000	.970**
		Sig. (2-tailed)		.	.000
		N		81	81
	Organizational Adaptability	Correlation Coefficient		.970**	1.000
		Sig. (2-tailed)		.000	.
		N		81	81

** . Correlation is significant at the 0.01 level (2-tailed).

The result of the analysis in the table above shows a significant correlation ($r=0.970^{**}$, $n = 81$, $p < 0.05$). Hence, there is a strong relationship between Information sharing and organizational Adaptability in Manufacturing firms Port Harcourt. Based on this, the null hypothesis was rejected.

V. CONCLUSION

The study evaluated the interrelationship between participation of employee and organizational survival placing a closer sight to the activities of manufacturing firms in Port Harcourt utilizing key dimensions such as organizations Teamwork and information sharing and measures such as organizational innovation and adaptability towards ascertaining their relationship with and towards one another. The study found that innovative ideas should be improved in the organization.

VI. RECOMMENDATION

From the discovery of this study, we recommend that:

1. Since the organizational innovation level is low, firms should see to brainstorming new ways towards creating products in order to reduce cost, increase product quality and boost profit.
2. Due to the prominent role of information sharing, manufacturing firms should ensure that there is a formal and specific channel, medium and method for disseminating information and organization should ensure information security so as to avoid information seeping into competitor's hands.
3. Institutions should create a culture committee or fun-at-work squad to initiate some simple ideas that will build momentum in the workplace.
4. Future studies should endeavor to investigate related studies in other sectors.

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