

# Power distance on employee involvement and participation



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Employee involvement and participation is a process which allows for the share of influence in an organisation between individuals who are hierarchically unequal (Wagner, 1999, p. 312). They are practices which seek to balance and increase the involvement of employees in the share of information, decision-making, and contribution to the improvement of organisational performance. Many scholars and writers concur and have arrived at a general consensus that involvement and participation initiatives or practices do have a positive effect on employee morale to increase performance and as such induce job satisfaction (e. g., Bernstein, 1993; Bluestone & Bluestone, 1992; Hoerr, 1989; Katzenbach & Smith, 1993; Petersen, 1991; Marchington et al. 1994; CIPD, 2006).

Ever since the era of Industrial Revolution psychologists and management thinkers alike have consistently developed and employed suitable approaches to dealing with employees in order to motivate them in pursuit of organisational objectives (Hyman and Mason, 1995, p. 5). The upsurge in involvement and participation practices have been associated with the significant decline in trade unions and with a growth in direct and more individualistic techniques of involving and managing employees. Also, at the same time the variability and structural shift in employment from manufacturing to service industry accounts for the reasons in the interest for involving and engaging employees (Marchington et al. 1994).

Gennard and Judge (2005: 181) assert that the involvement and participation of employees originates from the economic efficiency gains argument. This argument is built on the premises that as competition becomes more severe and technological changes more erratic, performance can be sustained via a

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commitment strategy towards employees. In a commitment strategy, performance standards are high and individual employees are expected to take charge; as such empowered to take responsibility for their task and make contributions to improving performance. They further buttress that a commitment strategy anchored within the involvement and participation culture will elicit positive commitment attitudes which provides employees with intrinsic and psychological rewards or satisfaction. Thus, employee involvement and participation practices are said to induce attitudinal changes in employees to be more committed to the goals and aspirations of the organisation.

It is pertinent to mention that the impact of direct involvement and participation on employee commitment is influenced by employees' experience and perception of involvement and participation and the employees' relations approach by management (Marchington and Wilkinson in Bach 2005, p. 399). These two factors seem to be interrelated. For example, the introduction of involvement and participation practices by management can be welcomed by the workforce if managements' philosophies have been in concurrence with soft HR practices. But if management philosophies towards employee relations have been less than soft, then employees might distrust management's involvement and participation initiatives and resist change. In other words, organisational and management culture and style alongside employee perception plays a significant role in the introduction and adoption of involvement and participation initiatives.

Central to the aforementioned argument is the extent to which power is centralised or decentralised in the organisation. This in other words defines the level of power distance between management and employees. Power distance is said to be the “ extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally” (Hofstede and Hofstede, 2005, p. 46). Thus, power distance according to Hofstede and Hofstede (2005) is characterised in accordance to the value system of the subordinates (in this case employees) and the behaviour of the superiors (in this case management). Power distance defines how superiors interact with subordinates. Studies in the context of power distance confirms that the degree of power distance can shape management practices and the employment relationship (Francesco and Chen, ?). For example Hofstede and Hofstede (2005) in their research purport using the Power Distance Index (PDI) that in low-power-distance organisations, there is a low emotional distance between the superior and the subordinate such that there is interdependence between them and have a preference for consultation; whilst in a high-power-distance organisation there is a high emotional detachment, in which subordinates prefer to depend more on superiors who have autocratic style and are unlikely to consult with their superiors.

Communication is said to be central to the success of any form of involvement and participation scheme or initiative. The Chartered Institute of Personnel and Development (CIPD: 2010) assert that a good two-way communication enhances employee involvement and engagement, such that employees are valued by their employers whenever they make a

contribution. Thus, the flow of communication between the employer and employees defines the level of interaction between them, and the level of interaction can also define the extent to which employees can become involved and participate in the organisation; which falls down to the degree of power distance prevalent in the organisation.

## **STATEMENT OF PROBLEM**

In spite of the plethora of research on involvement and participation which has focused more on the western economies, most especially the United States and the United Kingdom; little is known about involvement and participation in Nigerian organisations. Also, researches into the area of power distance have been centred on the western economies as well. Researchers have confirmed that the business environment cannot be separated from national culture in which the business exists. Thus, national culture imparts on organisational culture; that in understanding the behaviour of how people work, it is essential to understand their national culture (Hofstede and Hofstede, 2005).

In this regard, scholars such as Rees and Porter (1998) affirm that national culture plays a role in the kind of working relationship which exists. Thus, they conclude that in low power distance nations, employee involvement and participation is likely to be accepted and subordinates expect to be consulted; whilst, in high power distance nations where inequality is high involvement and participation is unlikely to be accepted. But the question is how true does this hold in Nigeria which has been categorised a high power distance nation with a Power Distance Index (PDI) score of 77 ([http://www.](http://www.clearlycultural.com/geert-hofstede-cultural-dimensions/power-distance-https://assignbuster.com/power-distance-on-employee-involvement-and-participation/)

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index/). Can it be ascertained that power distance being a sub-set of the national culture in Nigeria influences the management style adopted in organisations which impact on employee involvement and participation? Can high power distance result to losing the commitment of employees or is it a reinforcing element to sustaining employee commitment?

Thus, this research attempts to elucidate and also fill the gap in literature relevant to Nigeria by studying the conditions of involvement and participation in Nigerian Banking sector with the aim of providing empirical data on the impact of power distance on involvement and participation, and ultimately employee commitment.

## **OBJECTIVE OF STUDY**

For the purpose of this study, the primary objective is to assess the impact of power distance on employee involvement and participation, most importantly the extent to which power distance influences the level of interaction between managers and employees in the Nigerian Banking sector.

More specific objectives are as follows:

To critically review literatures on power distance and employee involvement and participation.

To ascertain the impact of power distance on employee commitment.

To appraise the perception of employees towards their managers or supervisors.

To formulate recommendations regarding employee involvement and participation.

## **RESEARCH QUESTIONS**

For the successful conduct of a research like this, certain fundamental questions have to be asked in order to guide the researcher. In other words, the research is to give answers to the following questions at its completion;

What is power distance and how does it relate to organisational culture?

What is employee involvement and participation?

Does power distance have any effect on the commitment of employees?

What is the nature of interaction between managers and employees and does this relationship encourage or discourage employees to participate?

In what ways do employees view their managers and supervisors?

## **RESEARCH HYPOTHESIS**

Based on the suggested inverse relationship between the level of power distance and the level of employee involvement and participation, a set of hypotheses are expressed which will be tested to give answers to the research questions and also achieve the objectives of study.

H<sub>0</sub> - Power distance impacts negatively on employee involvement and participation; such that the higher the power distance, the lower the level of employee involvement and participation.

H1 – Power distance impacts positively on employee involvement and participation; such that the higher the power distance, the higher the level of employee involvement and participation.

## **METHODOLOGY**

The choice of method is of utmost importance giving consideration to the research questions and objectives to be achieved. Thus, for the purpose of this study a Case study research design will be adopted. The choice for a case study research design emanates from the need to understand how employees are involved in the organisation and how the interaction between managers and employees, defined within the ambits of power distance impacts on involvement and participation initiatives; if any.

The population of study will be derived from Fidelity Bank Plc, one of the top ten banks in Nigeria. The reason for adopting the bank as the case study is due to my previous employment there and also with the prevalence of involvement and participation initiatives. Due to time constraint this case study will focus on a single branch, that being the regional head office in Abuja with a staff strength of about 350 members of staff. However, a stratified sampling method will be used to divide and select members of staff. Members of staff will be divided into two strata: senior staff (managers and supervisors) and junior staff (subordinate/front line employees).

The Hofstede (1980) cultural dimensions of power distance will be the basis of the theoretical framework on which this study is based on and the measurement of relationships established. Primary method of data collection will be used to draw out results for the study through the use of structured



questionnaires. The choice for structured questionnaires is predicated on the need to reduce inconsistencies in response and ascertaining the comparability of results. In addition to questionnaires a structured interview will also be conducted as a basis of strengthening the responses or results collected via the questionnaire method.

The analysis and interpretation of data from the questionnaires will be based on a descriptive statistical technique (Saunders et al. 2009). Chi square test will be used to test and measure the observed and expected values and to substantiate the level of significance of the stated hypothesis as a basis for testing the results.