

**THE EFFECT OF EMPLOYEE ENGAGEMENT IN DECISION-
MAKING AND PERFORMANCE OF MICROFINANCE
INSTITUTIONS IN MASAKA MUNICIPALITY:
A CASE OF PREMIER CREDIT (U) LTD**

BY

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**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF
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DECLARATION

I, SSEBYONGA JAMES JASON, hereby declare that the presented Research report is my own un-aided work prepared by me and at the best of my knowledge. I also confirm that, the work presented in this report has not been previously submitted to any other university or institution for any academic qualification.

Signature----- Date-----

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APPROVAL

I hereby approve that this information below about “**The Effect of Employee Engagement In Decision Making on Organizational Performance in Masaka Municipality: a case of Premier Credit (U) Ltd**” has been collected under my supervision and all the activities stated below were indeed carried out practically under my guidance and it has been submitted for examinations purpose to the faculty of Business Administration and Management in partial fulfillment for the award of the Bachelor’s Degree in Business and Management of Uganda Martyrs University.

Signature: in an email dated 8th September 2020

Name of the supervisor: Byarugaba Benjamin

Date 8/9/2020

DEDICATION

Firstly, I dedicate this report to the Almighty God my creator, my strong pillar, the giver of life for his guidance, love, strength and protection throughout my Research period.

I also dedicate this report to my lecturers, supervisors and instructors for their time that they wholeheartedly dedicated to me to become a well-groomed finance manager that i long to be. May the good Lord reward them abundantly, Above all I dedicate this reports to my parents, relatives, friends and guardians and my dear lovely wife Margie for their tireless and continued support throughout the whole process in both financial and material aid may the Almighty God bless them. Lastly, I would like to dedicate this paper to my fellow students of Uganda Martyrs University Masaka campus for all the support rendered amidst this trying moment of Covid19 because without you guys, writing this paper would have been next to impossible!

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ABSTRACT

The purpose of this study was to investigate the effect of Employee engagement techniques in Decision-Making on Financial performance of Microfinance Institutions in Masaka Municipality a case of Premier Credit (U) Ltd and the extent to which deferent decision engagement techniques influence the financial performance of microfinance institutions in Masaka.

This study was conducted using a descriptive survey design. The target population for this study comprised of 43 respondents from Premier Credit (U) Ltd.

This study used a purposive sampling method to select the respondents. The study used questionnaires as the tool for data collection. Data was analyzed through descriptive statistics and results presented in frequency tables, bar graphs and pie charts.

The findings of the study revealed that the level of employee engagement affects the performance of microfinances in two ways. This is because it affects the rate of efficiency and productivity of employees in the firm as well as the level of profitability and portfolio management levels of firms. Efficiency and productivity, profitability and portfolio quality management as indicators of financial performance enable companies to invest in viable enterprises/ ventures while avoiding too risky ventures. The data revealed that disengagement of employees in decision-making affects the level of employee efficiency and productivity, Profitability and portfolio management of Premier Credit (U) Ltd, hence engagement of employees in decision-making has a greater impact in determination of performance of financial institutions in terms of profitability, efficiency and productivity and portfolio management. The relationship between decision-making engagement techniques and organizational profitability, efficiency and productivity and portfolio management was also found to be linear with increase in engagement of employees through suggestion schemes, collective bargaining and workplace democracy leading to higher profitability, efficiency and productivity and portfolio management levels.

Finally, it is against this background that it was recommended that investors should invest more in Human resource management so that they can be able to help their enterprises thrive through ensuring a purely engaged workforce in their businesses.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter shows the background of the study, Statement of the Problem, General and Specific Objectives, Research Questions, Scope of study, Justification, Significance of the study, Conceptual Frame work and Definitions of key terms that introduce you to further chapters that give more details of the study.

1.2 Background of the study

Employee engagement is an old idea constantly being revitalized by organizations and new generations of practitioners throughout the world. For instance, the oldest documented system of formal employee involvement is a document called “employee suggestion system”, established by Eastman Kodak in 1898. However, employee engagement was revolutionized when McGregor (1957) and Herzberg (1966) first started writing about the topic in their articles “The Human Side of Enterprise” and “Work and the Nature of Man”.

In the United Arab Emirates (UAE), the Dubai Aluminum company reports total number of implemented and awarded ideas to 116,139 since the Suggestion Scheme's inception about 30 years ago (www.dubal.ae). According to The audited saving's potential of the ideas implemented in 2012 amounted to \$5.32 million which raised the total savings achieved by the Suggestion Scheme over the last 30 years to more than \$31.8 million. Also, the International Labor Organization's overall employee participation rate reached the 100 percent mark for the sixth consecutive year.

While almost all African countries have ratified Convention on the right to bargain freely, there are large differences across countries in terms of enforcement of the right to collective bargaining. In Burkina Faso, Burundi, Côte d'Ivoire, Namibia, Niger, Senegal and South Africa collective bargaining agreements are in effect in many formal major business enterprises and sectors of the civil service. In several countries there are significant differences between the public and the private sectors, for instance, in Benin, Gambia, Mauritius, Mozambique, Tanzania, Zambia and

Zimbabwe, public sector workers are excluded from the right to bargain collectively. On the other hand, in Guinea Bissau and in Rwanda the right to bargain collectively does not apply to the private sector. In the Central African Republic and in Equatorial-Guinea, the law does not recognize the right to collective bargaining. In Cape Verde there is a complete failure to promote free collective bargaining in both law and practice. In Cameroon, collective bargaining is almost non-existent at the Sectoral and national levels. In fact, the government encourages employers not to enter into collective bargaining at the enterprise level and refuses to recognize unions that are too independent for the purpose of collective bargaining. In Lesotho employers set wages through unilateral actions while in Sudan a body controlled and appointed by the regime sets most wages. The only data we have for French-speaking countries are from the 1990s. Cameroon and Côte d'Ivoire registered the lowest proportion of unionized firms (respectively 31.4% and 23.4%) (Mazumdar and Mazaheri, 2000). As expected, unionization is low in Ethiopia and Uganda. In Kenya, Nigeria, Tanzania and Zambia, around 40% of the workers appear to be unionized. Surprisingly, given the observation made, the highest unionization rate is found in Eritrea, where 53% of the manufacturing labor force belongs to a union.

In Uganda, the lack of trade union's legal status or representativeness undermines their capacity to represent workers, making it extremely difficult to bargain with employers. While legislation provides for collective bargaining in Uganda, the anti-union practices serve to limit collective bargaining in the private sector. The Registrar of trade unions has wide powers to refuse to recognize a trade union as representative for the purposes of collective bargaining. However, workers and employers can face legal and direct difficulties to enter into collective agreement. Note that in Uganda, a very high percentage of manufacturing firms (90%) declares having not even one unionized worker. Some non-unionized workers can be covered by a collective bargaining agreement. Thus basing union status on membership rather than coverage may lead to non-negligible bias in estimating the union-nonunion wage differential (Jones, 1982). In Uganda, around 60% of the firms in the manufacturing sector report that nonunionized workers benefit from the wages unions are negotiating. Furthermore, this extension of union wage agreements to non-unionized workers appears to be higher in large firms (with more than 50 workers) and in the firms predominantly owned by the State. The government has grasped the importance of collective bargaining agreements and encouraged social partners to conclude collective labor agreements with a view to avoid labor disputes.

Micro Finance Organizations (MFOs) have been increasing dramatically worldwide. This increment calls attention for these organizations to making strategic decisions, which will enable them, compete. For the MFOs, Masaka Premier Credit Limited (PCL) inclusive to be able to have a deep outreach and good financial performance, it needs committed employees. Middle managers and other employees, such as credit officers should heavily be involved in and identified with the organization's decisions made. They are often in contact with clients both in offices and in clients' sites, so they can bring a lot of relevant information in the board, concerning how to improve and innovate services and delivery process which might lead to very competitive strategies (Lapenu and Pierret 2005). Having them represented in the board and in the process of making strategic decisions will give them the opportunity to participate in the long-term growth of the organization and a feel of ownership, which in turn will motivate them and improve their performance.

1.3 Problem statement

Employee engagement has been the focus of growing interest in recent years as research in positive organizational phenomena has expanded. Establishing an engaged workforce is now a high priority for many organizations in both the private and public sectors. However, this is not the case at Premier Credit Limited Masaka Branch since all decision making power is concentrated at the top management where most of the important organizational decisions are made by the top management and simply passed to the lower level workers to implement minus them being involved in the decisions made and agreed upon entirely as an organization. This therefore, creates resistance among lower level employees towards implementation of consecutions agreed upon by the top managers of the organization. Obviously this has direct or indirect negative impact on the institution, in terms of employee commitment, cooperation between managers and employees and finally on productivity. When groups are excluded from effective roles in decision- making affecting them, they tend to react in aggressive & polarizing ways. (McCaffrey et al.1995). Yet if all employees had been brought on board during decision-making, this resistance would be minimized since the employees would own the decisions made.

It's upon this ground that the researcher found it necessary to carry out a study examining the effect of employee participation in decision making against the performance of an organization using Masaka Premier Credit limited as the case study.

1.4 General Objective

The purpose of the study is to determine the Effect of Employee Engagement in Decision Making on the Performance of an Organization using Masaka Premier Credit Limited (PCL) as a case study.

1.5 Specific objectives

- i. To examine the effect of Suggestion Schemes on Organizational Performance at work in Premium Credit Limited.
- ii. To examine the relationship between Collective Bargaining & Organizational culture on Organizational Performance at Masaka Premium Credit Limited
- iii. To evaluate the effect of Industrial Democracy on Organizational Performance at Masaka Premium Credit Limited.

1.6 Research Questions

- i. What is the effect of Suggestion Schemes on Organizational Performance in Premium Credit Limited?
- ii. What is the relationship between Organizational culture & Collective Bargaining on Organizational Performance at Masaka Premium Credit Limited?
- iii. How does Industrial Democracy contribute to Organizational Performance at Masaka Premium Credit Limited (PCL)?

1.7 Scope of the Study

1.7.1 Content Scope

The study will examine the Effect of Employee Engagement in Decision-Making on the Performance of an organization basically microfinance firms in Masaka. Employee Engagement in Decision Making was the independent variable specifically pointing out Suggestion Schemes, Collective bargaining, Industrial democracy etc.

1.7.2 Time Scope

The data that was used in the study related to the period between, 2017-2020 to help the researcher tap the most recent trends in Employee Involvement in Decision Making and their effect on the performance of Masaka Premier Credit Limited (PCL).

1.8 Significance of the study

Managers and staff half-heartedly practice worker participation with a prejudiced mind. It is, however, incumbent upon managers to educate and involve their workers in the decision-making process in the organization. Kanter (1989;1983) pointed out that a participatory work environment is theoretically more effective at enhancing innovations than traditional bureaucratic structures because it promotes the sharing of product knowledge between managers and workers, who are closest to the products being made and work being done and therefore more likely to develop strategies and suggestions for better quality items.

It is the Researcher's hope and expectation that this study will in the end help identify the causes of non-engagement of employees in decision-taking, recommend ways to get employees engaged in the decision-making process and supplement as well as complement similar researches undertaken and serve as a useful reference for academic purposes.

It is also aimed that the study will help managers understand and accept the concept of worker participation in decision-making and that there is much more to be gained in achieving good human relations between employees and also in the achievement of organizational goals and objectives.

1.9 Justification of the Study

The non-engagement of employees in decision-making results into organizational conflict. This comes when employers or managers recognize their employees as commodities and for that matter see nothing good in them. This concept will make employees feel as non-entities within the organization and therefore will contribute effectively towards the achievement of organizational goals.

Employee involvement is aimed at enhancing responsibility, increasing authority and making jobs challenging and interesting to employees based on the needs of the organization. Employee involvement in organizations decision-making results into so many benefits such as job satisfaction, organizational commitment, good employer-employee relationship, avoidance of employee absenteeism and job performance.

From the works consulted in the area of study, the researcher is of the view that the involvement of employees as a management tool in the decision making process will solve if not all reduce the associated problems. Therefore, this thesis will serve as a guide for further research work and also

serve as a guide for policy makers. This study will also contribute to the existing knowledge of employers to improve the decision making process in their organization

1.10 Conceptual framework

The conceptual framework is a diagrammatic model that helped the researcher to understand and make a logical sense of the relationship between identified variables. It shows Employee Engagement techniques in Decision Making as independent variables and Organizational Performance as the dependent variable, which is influenced by organizational culture.

Figure 1. 1: Conceptual framework

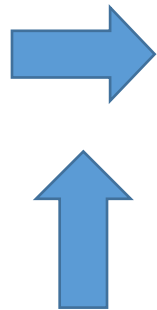
INDEPENDENT VARIABLES

DEPENDENT VARIABLES

Employee Engagement techniques in Decision Making **Organizational performance**

In Decision Making

- Suggestion schemes
- Collective bargaining
- Industrial Democracy
- Ownership



- Portfolio Quality Mgt
- Efficiency and Productivity
- Profitability

Organizational Culture.

- Organizational vision

Source: Researcher (2017)

1.11 Definition of key terms

Employee Engagement

According Kahn (1990:694) defines employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. The cognitive aspect of

employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

Most often employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank *et al* 2004).

According to the Chartered Institute of Personnel and Development (CIPD, 2001): Employee Engagement is “a range of processes designed to engage the support, understanding and optimum contribution of all employees in an organization to get their commitment to its objectives.” Therefore, Employee engagement is about how to achieve a company's strategic goals by creating the conditions for human resources to thrive and for each staff member, manager and executive to be fully switched on in their jobs so as to deliver their best efforts in the best interest of the business.

Decision Making

Decision-making is defined by Stone and Freeman (1984) as “the process of identifying and selecting a course of action to solve a particular problem.”

Suggestion Schemes

Employee suggestion schemes are a way to capture employee's ideas on areas that are often not within their control (ILO 2010:1).

Collective Bargaining

Collective bargaining is defined by Pyners (2008) as a process in which representatives of the employers and representatives of the trade union negotiate the rights of the employees and conditions under which the labor should be employed.

Industrial Democracy.

This refers to the representation of employees at the board level. This can play an important role in protecting the interests of the employees of the organization.

1.12 Conclusion

Employee Engagement has great impact in Decision Making and does influence the performance of an organization as shown in the significance, justification and conceptual framework of this Chapter. Chapter. One has given an overview of the study whose details are going to be discussed in the following chapters.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Chapter Two gives the Participatory Management theory by Richard Daniels and the Contingency theory by Vroom & Yetton as theories that show a theoretical review about Employee Involvement in Decision Making, it also contains the actual review that shows a review of related literature by other authors about Suggestion Schemes, Collective Bargaining, Quality Management and Organizational Performance as the identified variables for the study.

2.2 Theoretical Review

There are two theories that explain Employee Engagement in Decision making that is the Participatory Management theory by Richard Daniels and the Contingency theory by Vroom & Yetton as shown below.

2.2.1 Participatory Management theory by Richard Daniels

In theory, the model does much more than recognize that employees ought to be able to recommend changes or course of action, but rather reflect a belief that authority should be transferred to and shared with employees. The belief in this theory stems from understanding what the culture of an organization or institution represents. Conceptually, organizational culture is thought to represent a symbolic and ideal system composed of values and norms implemented by its founders, then shared and reflected to influence behavior of its members or employees in the institution. The culture of the organization or institution is in turn used to guide the meaning of the organization's work.

Participatory management is a shift in the management paradigm from a top-down approach to a more self-facilitated and self-sustained approach. Employees are given the freedom and responsibility, accompanied by all the necessary tools needed to delegate decision making, authority and evaluations of existing and foreseeable/unforeseeable problems. This theoretical approach acknowledges that every problem is different. Therefore, every problem requires different approaches and solutions. Principles of participatory management consist of fundamental ideas that seek to empower and enhance the employee's understanding of problems as to explore and generate the greatest potential solutions embodying the ideals of democratic inclusion and participation.

2.2.2 The Contingency theory by Vroom & Yetton

The contingency theory that relates to decision making by Vroom and Yetton, (1973) states that the effectiveness of a decision procedure depends upon a number of aspects of the situation: the importance of the decision quality and acceptance; the amount of relevant information possessed by the leader and subordinates; the likelihood that subordinates will accept an autocratic decision or cooperate in trying to make a good decision if allowed to participate; the amount of disagreement among subordinates with respect to their preferred alternatives.

Sometimes, making the "right" decision is critical, and you will need to use a large number of resources (people, time, information, and so on) to ensure that the action you take has been well thought through and is of high quality. Some of your decisions will have a major impact on your team, while others will go unnoticed. When a decision will likely impact your team, it's best to use a collaborative process. This will improve the quality of the decision, and you will likely deliver a successful result faster. When the issue at hand is not time sensitive, you have more "space" to research your options and to include others, which will help to boost the quality of your decision.

2.3 Actual Review

The actual review shows literature of various authors about the relationship between Suggestion Schemes, collective Bargaining, Quality Management and Organizational Performance.

2.3.1 Suggestion Schemes and Organizational Performance

Milner et al (1995:4) defined suggestion scheme a “formalized mechanism that encourages employees to contribute constructive ideas for improving the organization in which they work”. A monetary award or some other form of recognition can reward implemented ideas – usually proportionate to the benefits generated.

Suggestion schemes help organizations to become more innovative and help them reduce cost (Buech et al 2010).

Employee Suggestion Scheme (ESS) plays a pivotal role for organizations wishing to become more innovative (Buech et al., 2010).

There are others who view suggestion systems as mechanism to improve quality as well (Islam, 2007; Kanna et al., 2005).

It is a known fact that no one would know the job, its specific processes(Darragh -Jeromos, 2005) better than the employees themselves as they are on the shop floor and are experiencing the advantages of what they are doing(Du plessis et al., 2008).

Therefore, the suggestion scheme can be an advantageous way to gather suggestions in the work place by fostering this concept and taping into all employee creativity (Darragh-Jeromo, 2005)

The employee ideas contribute to the achievement of high performance, excellence and competitive advantage in an organization (Rothberg, 2004). They create a win-win situation for employers and employees alike.

Organizations are required to be creative and innovative to the extent that their environment is unpredictable, unstable or threatening (Roni Reiter-Palmon, Jody J. Illies, 2004). In turbulent environments of heightened competition, and unpredictable technological change, more and more managers are coming to realize that they should encourage their employees to be creative (Shalley & Gilson, 2004).

The Employee Involvement Association (EIA) 2004 annual suggestion program provided statistics from forty (41) of its member organizations in the United States. From this limited sample, a total of more than \$811 million in savings and other benefits were realized as a result of employee suggestion programs (Townsend, 2009).

The suggestion system is a process of two or more stages comprising mainly the suggestion making, the evaluation and implementation of the idea (Lipponen et al., 2008).

In recent times the suggestion schemes have also been known as Idea Capture Systems or Idea Management Systems. Leach (2006) claims that the Idea capture system can fall into four categories: Centralized suggestion schemes, De-centralized suggestion schemes, Work based systems Informal systems.

The creativity in an organizational context emerges from a process of sharing information with other people within the organization (Bakker et al., 2006).

The creativity and innovation literature also highlights that contextual, organizational and individual factors that foster creativity and innovation would also foster the suggestion making as well (Ohly et al., 2006).

People need social, informational, and economic support to be able to create something new (Majdar, 2005).

Although the social networking alone cannot be considered as an important source of information for innovation (Bigliardi et al., 2009), the high quality social exchange relationships (Kudisch,

2006), social influences(Klijn et al.,& 2010),collaboration(Björklund,2010; Fairbank et al.,2001), and diverse group exchanges(Shalley et al.,2004) can stimulate employee creativity.

Even in a field where innovation is essential, most of the acute challenges do not concern innovation skills, but rather the organizational context of innovation, the work communities' culture, habits, and practices (Björklund, 2010).

Creativity and innovation will only be sporadic occurrences and will not thrive without a supportive environment and culture (Malaviya&Wadhwa, 2005). Every organization has its own culture and needs and its suggestion system should be molded around that (Marx, 1995).

The organization structure often hinders tacit knowledge sharing by establishing wrong authorities (Alwis et al., 2008). Several studies have shown how certain organizational structures facilitate the creation of new products and processes, especially in relation to fast changing environments (Lam, 2010).

Organization structures have to be modified in different industries so that the organizational structure of a company or a department supports transfer and transmission of tacit knowledge in the best way (Alwis et al., 2008).

Management has a responsibility to satisfy the need for employee participation and they are required to create a culture which is supportive of employee involvement in the decisions which affect their work (Reychav et al., 2010).

Studies have shown that a traditional, autocratic management style results in low levels of employee engagement and motivation (Hayward, 2010).

Empowering leadership has the capacity to positively influence employee psychological empowerment -an element of importance in affecting creative outcome (Zhang, 2010).

On the other hand leadership styles that include threats, intimidation, and coercive tactics appear to universally discourage creative behavior on the part of employees (Anderson et al., 2008).

The coworker support (Arif et al., 2010) is another important element that can trigger employees to make suggestions.

To handle employee creativity effectively, it is important to organize the process of idea extraction to idea follow-up properly, otherwise employees will not be motivated to put their ideas forward and many ideas will be lost (Van & Ende, 2002).

The knowledge possessed by individual employees can only lead to a firm competitive advantage if employees have the motivation and opportunity to share and utilize their individual knowledge in ways that benefit the organization (Arthur et al., 2005).

The companies' lack of action on suggestions provided by non-managerial employees can demotivate employees from participating in employee relation programs (Cho and Erdum 2006). Fairbank (2003) argues the formal Employee suggestion Management systems (ESMS) are superior to the stereotypical suggestion box because they make it easier for employees to submit ideas that will eventually be implemented, provide a transparent process for evaluating the suggestions, and generate timely feedback regarding the fate of the suggestions and any rewards they earn.

Such a system can help to monitor the progress of the scheme on a regular basis (Hultgren, 2008).

Good ideas can come from anyone, at any level, any place, anytime (McConville, 1990; Majdar, 2005).

The involvement can be increased if employees develop a sense of belonging to the organization (Cruz et al., 2009).

Empowerment is necessary so that the workers evaluate their own ideas before making a suggestion, as suggesting many ideas do not necessarily mean greater cost reduction and at the same time, it would be an added cost to process and may cause delays (Wynder, 2008).

Insensitive comments of proposal reviewers can sometime kill an employee's improvement initiative (Neagoe et al., 2009).

When the review, evaluation and guidance aspect of the system functions properly, it can be a great motivating force that will attract many excellent proposals (Neagoe et al., 2009). If ideas are made public, these ideas, good and bad, could have started other creative ideas elsewhere in the organization (Stenmark, 2000).

Creative ideas are more often the product of social interaction and influence than of periods of thinking in isolation (Majdar, 2005). The cash rewards and recognition alone will not make a suggestion system successful (Strane, 2000). Employee morale should be boosted by creating success stories and measuring the success of the scheme through the implementation of ideas (Cho & Erdem 2006).

There needs to be various strategies in place to avoid employee boredom and to consider the life cycle of the system, employees must be rewarded not only with tangible but also intangible benefits (Ahmed 2009). Incentives are important for employees to feel that submission of their useable ideas will be rewarded (Du plessis et al., 2008).

It was also found that the volume of employee suggestions over time will be positively related to the amount of payout (Arthur et al., 2010). Depending on the attention given to advertising the schemes and how participation is rewarded, organizations could improve the return on the idea capture system (Leach et al., 2006).

Suggestion schemes are the oldest form of employee voice and are very useful for any organization that wishes to introduce change in its culture, structure or technology (Lloyd 1996). Suggestion scheme as a form of employee voice produces good ideas for improvement, increases employee commitment to the implementation of such ideas, elevates cooperation, enhances workers sense of power and dignity, improves loyalty and identification with the organization, educates employees in goal setting and helps to identify leaders (Carnevale and Sharp 1993).

According to Milner et al (1995) when organizations are establishing a scheme, a likely starting-point for them isto ensure that suggestion scheme aligns with the organization's mission, objectives and values.

It must also be viewed as being a key human resource initiative and as such should seek to integrate with the goals of recruitment, training and appraisal of staff at all levels. Senior management should demonstrate their faith in the scheme, promote and support it and encourage all managers to view it as a positive force for continuous improvement.

Researchers in this area explain that the suggestion scheme is a mechanism or a tool that fosters creativity, elicits untapped reservoirs of ideas and fuels both product or process innovations, triggers a work place improvement, improves process effectiveness, saves money or helps generate

new revenue and increases organizational commitment and accountability among employees (Carrier,1998).

Creativity is an internal and intellectual process of bringing about new ideas (Koontz et al., 1980).

Researchers have suggested that creativity is the generation of novel and useful ideas (Amabile, 1996). If the employees are treated as a part of organization effort, then they are much interested to contribute more ideas to the organization. Organizational and supervisory factors are effective in motivating employees to participate in environmental innovations that can increase the sustainability (Ceres, 1995). Hence it is the obligation of a top management and leaders to motivate and nurture their employee's creativity.

The company must understand the behavior of its employees and create a culture to drive employee's creativity in the organization. Suggestion systems can be a useful way to obtain and utilize employees' creative ideas; effective suggestion management systems must also motivate employees to think creatively and to participate in the suggestion process (James Fairbank, Spangler, Scott, 2003).

Innovative companies carefully analyze personnel needs and hire creative people to fulfill organizational goals; they must implement reward systems to recognize and boost employee creativity. (Gupta, A.K. &Singhal, A., 1993.)

Employee suggestion systems are a useful way to obtain and utilize employees' creative ideas; to be effective; employees must be motivated to think creatively and to participate in the suggestion system (Fairbank, J. F. and Williams, S. D., 2001).

Ideas are derived not only from people of above average intelligence, but also from those of average intelligence (Simon Wong, Loretta Pang, 2003). The most significant factors influencing the creativity of the people are organizational factors (Reza, ElahehHasanzadeh, 2010).

Organizational factors encompass leadership style (Jannat Poor, 2000), organizations culture (Lloyd, 1996), organizational structure (McAdam and McClelland, 2002),reward system (Farhang, 1998).

The generation of ideas has to be organized and initiated by the senior management of an organization (Cindy Wu, Jeffery S. McMullen, Mitchell J. Neubert, Xiang Yi, 2008). Leadership

is an important aspect of the work environment for employee's creativity. (Oldham & Cummings (1996))

Nowadays many companies are aware of the importance of employee creativity; Suggestion systems are among the instruments for channeling creativity (Van Dijk, C. and Van Den Ende, J., 2002). It is the responsibility of a leader to identify the capable employees and motivate them to submit more creative ideas.

However, for employees with a high identification as leaders, the relationship between transformational leadership and employee creativity was stronger under high innovative climate than it was under low innovative climate (Wang & Rode, 2010).

The responsibility of implementing the approved suggestions lies with the middle/junior managers. They should coach, guide and encourage creativity and empowerment. Other most important factors influencing the creativity of people are individual factors. Individual factors include self-confidence, accepting ambiguities (skepticism), patience, holistic attitude, curiosity (Jannat Poor, 2000).

Creativity is the personal characteristics and intellectual abilities of individuals and still others focus on the product with regard to the different qualities and outcomes of creative attempts (Arad et al., 1997).

Suggestion system is a technique that will motivate the employees to think creatively and to participate in the decision making process. Motivating employees involves more than simply offering rewards to submitters if their suggestions are put to use; According to expectancy theory, rewards will only motivate behavior, if the rewards are valued (Fairbank, J. F. and Williams, S. D., 2001).

Intrinsic job-related motivators which include opportunity for advancement and development, loyalty to employees, appreciation and praise of work done, feelings of being involved, sympathetic help with personal problems and interesting work, are found to encourage the employees' risk-taking behavior (Ricardo Recht, Celeste Wilderom, 1998).

Employees with highly specialized knowledge, who bring new ideas and experiences, should be recognized and rewarded to make knowledge sharing a reality in the organization that supports

innovation (Popadiuk, Choo, 2006, Pluskowski, 2002). Intuitiveness and creativity need to come up with good ideas and to write up these ideas in a suggestion. (Michael frees, Eric Teng and Cees J.D Wijnen , 1999)

The suggestion scheme motivates employees to use their experience, expertise and creativity to improve the way the business is run (Abdel Moniem , Ahmed Huda Buhmaid). Staff suggestion scheme is a formalized procedure to encourage the employees to think creatively about their jobs and their job environment and to come forward with ideas for which they will be rewarded on a specific basis, if acceptable and to the advantage of the organization (Andrew E. Marx, 1993).

Techniques to motivate, empower and reward staff became ever more sophisticated and expensive, one of the most obvious, though overlooked; ways of tapping the creativity of employees is the suggestion scheme (Geoffrey C. Lloyd, 1996)

The humble suggestion scheme can be a creative resource and a springboard for transforming an organization; Takes a novel, situation-based look at creativity and, with a mix of theory and pragmatism, outlines a strategy encouraging and directing creativity for organizational good and individual reward (Dean Junipe, 1996).

The employees' ideas and innovations are so important today in any organization because they are on the shop floor and are experiencing the advantages or disadvantages of what they are doing (Du Plessis et al., 2008). In all domains of society, progress depends on the adoption of new procedures or products. Such innovation necessarily starts with the generation of creative ideas (Rietzschel et al., 2010).

So, the continuous streams of ideas are necessary as a fuel for innovation (Björklund, 2010). Moreover, the quality management will remain an essential part of developing and maintaining a competitive advantage for organizations (Prajogo & Sohal, 2004). Thus, the future of the Landau (2009) posit that employees will be more committed if their suggestions facilitate improvement or change in the organization.

Similarly Lloyd (1996) believes that when organizations encourage employees to think more creatively and share their ideas for the benefit of the firm by the use of employee suggestion scheme, it will make employees more committed and involved in the organization.

Martin (2008) is of the view that commitment is determined mainly by the interaction between management and employees. Therefore when management encourages employees to participate in organization processes and changes through the use of suggestion schemes, it will increase employee commitment to the organization.

Lloyds (1996) believe that if employees do not have voice by means of a suggestion scheme, they may engage in behaviors that would be obstructive or even destructive to the organization. Nicol (2002) argues that a good suggestion scheme makes employees believe that management cares for them and listens to them. This builds trust for the system. Research (Farndale et al 2011; Martin 2008) shows that when employees trust management, their commitment will improve.

However, an ill-conceived and undefined suggestion scheme can turn employees off and generate ill-will, cynicism and misunderstanding in the organization (ILO 2010). Carvenale and Sharp (1993) also reports that suggestion schemes can backfire on the organization if they become overtly bureaucratic.

This can be as a result of unclear ground rules, complex and excessive paperwork, lengthy processing time, inexperienced or overburdened evaluators, rejections without clear and sufficient reasons, long delays in implementing approved ideas or in delivering rewards, insufficient communication with suggesters, and processing proposals through layer after layer of the hierarchy, can lead to disillusioned and demoralized participants.

A sustainable innovation should be proven to be of benefit to the diverse stakeholders (Johnson, 2004). So, the expectations from the suggestion system must be set in the language of those involved and should measure things on which they can have direct impact (Wood & Contracts, 2005).

Lasrado et al. (2015) defined the sustainability of a suggestion scheme as “The achievement of stakeholder’s stated goals involving competence management, profitability, employee productivity and continuous process improvement now and in the future.”

2.3.2 Collective Bargaining and Organizational Performance

According to Condrey (2010) the involvement of the employees during the collective bargaining process increases their motivation due to participation. This helps the employers to have a better relationship with the employees as they can understand the employees better and they can also

consult with the representative of the union and also discuss their problems as well (Rose, 2008). The managers also have a better grip at management due to the fact that the union leader has the responsibility of smooth running of operations, after the demand of the union is fulfilled.

Dessler and Varkkey (2009) suggested that during the course of the collective bargaining process employees bring up all the aspects, which they consider as detrimental to their jobs. All their wants are brought forward to the employers who negotiate and come to a mutual agreement.

The employees help the organization to make more profits, because it benefits the workers as well. The employer and management always have a strong authority due to the fact that if the organization becomes bankrupt it harms the workers the most, due to the fact that they become unemployed (Dessler and Varkkey, 2009).

Dessler and Varkkey (2009) further adds that employees participate in the collective bargaining process which gives them a collective voice which is very effective as employers are obliged to hear and solve any problems brought up by the union, if they are legal.

They bring forward their demands and the employers negotiate until both parties come to common terms'' (Sharma, 2009). Employee morale is defined by Bowles and Cooper (2009) as the overall perception, attitude, confidence and satisfaction of an employee towards his/her job. Employees have a positive morale when they are happy about the working conditions and vice versa.

Bohlander and Snell (2009) suggest that all labor contracts include management rights which mention that the employers have the rights to manage, direct and control its business. Hence the employers retain the control and management of the business.

The collective bargaining process strengthens the management authority because once it has been established the employers and employee both have to follow it and hence the relationship between the management and the workers become healthy due to the fact that they both have agreed to each other's terms (Mondy and Mondy, 2009).

The strength of management increase due to the fact that the union leader is also part of the management as it is the duty of the union leader to communicate with the union and inform them about any new issues beforehand and let the management know about the feedback of the workers (Noe, Noe, Hollenback, Gerhart and Wright, 2009).

Collective bargaining is defined by Pyners (2008) as a process in which representatives of the employers and representatives of the trade union negotiate the rights of the employees and conditions under which the labor should be employed.

According to Torrington, Hall and Taylor (2008) the collective bargaining process has a huge impact on the strategies followed by an organization. The organizations, which follow the low cost strategy, will always try to keep the wages low. Monsoon Accerorize, a United Kingdom based design-led retailer, pays negotiates low wages with their trade union in the third world countries (Chamberlain, 2010). Ayling (2008) further adds that Gap, Inc., an American clothing and accessories retailer also pays low wages to their employees.

Sims (2007) says that employees unite together to form a union and select a representative who negotiate with a representative from the employers and discuss about rules, wages, hours, benefits and working conditions of the workplace.

This helps the employees by ensuring them stability and certainty which increases the level of their job satisfaction (Khan and Soverall, 2007). Once the employees are ensured with job security, they try to sustain their existence in that organization and hence they focus on being more productive (Howell, 2007).

The workers may ask for benefits, higher wages and flexibility but if it harms the organization the employer refuses and after some time the workers start working in the same conditions again (Sims, 2007). According to NCPP (2010) Marks and Spencer, a British retailer involves its union in the decision-making process and takes ideas from them about innovation

The management can also take help from the union leader in order to control unrest in the working environment due to the fact that the employees have selected the union leader and hence the leader has a certain degree of control on the other union members as well (Mathis and Jackson, 2007).

The management can also take help from the union and discuss about new changes and solutions of problems, which may arise due to any changes. The pension plan of the workers of the United Parcel Service (UPS) a package delivering company, was a union-run pension plan which helped the company set up a pension plan of their own (Mathis and Jackson, 2007).

According to Fin-bow (2006) in order to improve employee morale, the employers provide the employees with the utmost benefits and respect. However, collective bargaining helps an employee to achieve all the benefits and rights that they deserve and hence they have a sense of security about their jobs, which in turn, allows them to have positive employee morale.

In Southern Africa, following the liberalization process, the trend towards enterprise-level bargaining intensified in the 1990s with the employers (workers) recognizing the need to have more flexibility in the design of pay for productivity and competitiveness (Fashoyin, 1998).

By giving 'voice' to workers' concerns and grievances, and by helping to represent those concerns and grievances to management, unions may significantly increase worker motivation and organizational commitment, thereby improving productivity and performance, as well as improving perceptions of good workplace governance and contributing to collaborative management-employee relations (Freeman and Medoff, 1984).

However, Narlikar (2010) suggest that bargaining deadlocks occur when the negotiations between the employers and employees remain still due to the lack of compromise by either party.

The bargaining should always be "done in good faith", which Dessler and Varkkey (2009) refer as the intention of both parties to negotiate and come to common terms. When a deadlock is not resolved it creates a dispute between the employer and the employees which leads to lockouts or strikes (Mathis and Jackson, 2007).

Lockouts occur when the management shuts down the operations of the company which prevents union members to work. This mainly occurs when the employer is not satisfied by the activities of the trade union and protests against it (Blanpain, 2010). According to Lamont (2009) Graziano Transmission India carried out a lockout after the Chief Executive Officer of the company was murdered by some workers.

Strikes occur when the union members refuse to work in order to protest against any sort of activity which they consider as injustice. The union members picket or hold placards and signs, which indicate their problems, outside the location of the business. This is usually done to put pressure on the employer to agree to the terms of the union members (Daniel and McIlroy, 2009).

Lockouts and strikes both hamper the company, because sometimes these prolong for days or even weeks, for which the company fails to operate and incur losses during the period of strikes or lockouts, due to lack of production (Caisley, 2007). According to Mathis and Jackson (2007) due to a seventeen-day strike at General Motors, a multinational automaker, the company incurred losses around \$ 1 billion.

Strikes are what the employers fear as it incurs losses which might make the company go bankrupt, however the way the strike is handled by the management makes it stronger. Caterpillar, Inc. hired replacement workers during a wildcat strike by the United Auto Workers (UAW) and no losses were incurred to the company (Mathis and Jackson, 2007)

It makes little sense for employers to maintain ineffectual unions, since unions require influence if they are to reduce the employer agency costs in maintaining and enforcing desired levels of worker effort. Also, distributive bargaining relies on ‘interdependency’ between employer and union, at least in the long run (Walton and McKersie, 1965).

After review of the literature mentioned above it can be seen that the process of collective bargaining strengthens the management authority. Many authors have argued that collective bargaining makes the employer vulnerable to the employees, but the clause in all labor contracts, which mentions that the employer has the control of the business, which makes the employees vulnerable to the employers (Mathis and Jackson, 2007).

2.3.3 Industrial Democracy and Organizational Performance

Recent political, social and economic shifts have significantly changed the way work is carried out and in turn the democratization of organizations has suffered (Deetz, 1992). Technology, globalization, flatter organizational structures, improved skills and competencies and the need to manage knowledge *prima facie* offer workers opportunities to participate in decision-making and fully experience workplace democracy. It is axiomatic that as work becomes more technological and workers have more access to information that democracy would emerge. However, worker freedoms have shown little sign of increasing and with globalization of the workplace the hope of democratic workplaces for many is an unrealized dream.

The idea that workers have democratic rights and privileges in their workplaces evolved from the nineteenth century workplace of “exploitation...in laws and court rulings limiting the right to quit jobs, in vagrancy laws and coercive uses of the police and military, in stringent and punitive forms of private poor relief, in an urban real estate market that made most workers into powerless tenants in squalid neighborhoods, and in a national political system that mobilized working-class voters without responding to the needs of working people” (Montgomery, 1993, p. Historically, workplace democracy has followed the labor movement (unions) both in the UK and the US. But with the decline in organized labor, especially in the US and in US controlled global firms, workers have fewer opportunities to experience workplace democracy. Unions have supported worker’s rights to tenets of democracy such as freedom of expression in the workplace. Swidorski (2000) pointed out that “from the end of the Civil War to the passage of the Wagner Act in 1935 the most significant institutional actor in the struggle for freedom of expression was the labor movement”. But worker freedom is under attack. A recent ruling by the U.S. Supreme Court declared that speech by public employees in the course of their jobs is not protected by the First Amendment from disciplinary action (Trotter, 2006). “Democracy clearly stops at the workplace door. That’s bad enough. What’s worse is how bad that fact is for the health of our democracy at large (Sweeney, 2004, p. 102).

In terms of scholarship, the 1970s, 1980s and into the early 1990’s workplace democracy was a oft-cited and relatively important topic for industrial relations, management, labor, and social studies scholars. But, since the early 1990s it has had little cache especially among business and human resources scholars and even less importance among scholar-practitioners. The discussion of workplace democracy “is but a faint whisper among contemporary scholars in the social and management science....and no longer relevant to our technologically advanced globally networked organizations” (Diamond &Allcorn, 2006, p. 56). And even in contemporary workplaces where workers have increased skills and competence, are self-monitoring and self-directed; embrace knowledge and responsibility, and in turn have become more empowered and self-motivated. Still, “most employees are subject to managers they did not elect and to rules in which they had little or no say’ (Mayer, 2001,). They are being spied on, drug tested, subjected to searches, and e-monitored. These and other management actions reduce workplace democracy.

The contradictory and inconsistent nature of the workplace democracy literature suggests that all is not doom and gloom. For example, Melman (2001, 2003) has recently suggested that especially in high technology workplaces, worker participatory decision making is standard practice and is even on the rise.

If the goal of HRD is to improve social responsibility and to provide for humane workplaces then it is necessary to align itself with research and practice that will afford democracy in the workplace. To date, the evidence of HRD having a vested interest in workplace democracy is limited, yet globally influenced workplaces show signs of fewer worker rights and more alienation. The purpose of this paper is to highlight the definitional, historical, conceptual and practical characteristics of workplace democracy through a review of literature and then highlight those that are related to HRD.

Method

The method used in the present study was a literature review of selected works of workplace democracy and many associated terms. Several searches were carried out using electronic databases including ERIC, ProQuest, Business Source Premier, psycINFO, and Sociological Abstracts. Results included scholarly and practitioner journal publications as well as several books and textbooks. Articles and books were used to locate through a thematic analysis terms, concepts, research and practices of workplace democracy. Included in this search was a review of the intersection of workplace democracy and tenets of HRD research practice and theoretical issues.

Definitions

Definitions of workplace democracy and related terms are varied due primarily to contextual issues such as unionization; yet, the large majority of definitions identified by the present study contained common themes and concepts. Related terms such as industrial democracy, organizational democracy, economic democracy, participatory democracy, worker participation, co-determination, works councils, and worker control are terms either more narrow, less focused or broader than workplace democracy which has been considered by some scholars as a “catch-all phrase” (Collom, 2001a, p. 71-72). Common definitions of workplace democracy contain characteristics of equality, decision-making, and participation. Miller (1999) as cited in

Holtzhausen (2002) added that its “more than participation, “it involves the realization in the workplace of our standards for a democratic society” (p.188). Broadly, Harrison and Freeman (2004) added that “any action, structure, or process that increases the power of a broader group of people to influence the decisions and activities of an organization can be considered a move [the workplace] toward democrac.

Workplace Democracy from Multiple Perspectives

To fully grasp the variance of perspectives of workplace democracy requires an understanding of the historical evolution of the concepts that enabled its practice. The history of workplace democracy is closely aligned with the evolution of its theoretical foundations. While a thorough historical analysis is not a part of this study, a brief glimpse into the intersection between the history of workplace democracy and the theories that support it illustrate the ideas behind democratic practice in the workplace. For example, workplace democracy has a tradition in Germany dating back to the Weimar Republic (1919-1933). The thinking behind workplace democracy at this time in Germany was influenced primarily by liberal democracy.

Between 1799 and 1850 in the UK and later in the US (1825-1934) the most influential workplace democracy experiments were being carried out by Robert Owen, a Scottish industrialist and ‘father of socialism and the cooperative movements’ (Donnachie, 2000).). The influence of Robert Owen’s New Lanark, Scotland (1799-late 1850’s) and New Harmony, Indiana (1825-1934) factory settlements reflected the socio-political environment of the times and the impact that the reformation and Jeremy Bentham’s utilitarianism had on Owen as a workplace and social reformer (Donnachie, 2000). From these ideas and workplace experiments he developed communitarianism and the cooperative movement; notions of work and society that are still valid and practiced today.

Foundations and Theories

To better understand workplace democracy as a construct considering its relationship with the meaning of work is critical. Participatory democracy is not achievable without meaningful work as a foundation. The present study cannot give justice to the many and varied publications on meaning of work and meaningful work. However, an examination of several of the more significant historical and conceptual views will help place workplace democracy into perspective.

The importance of work extrinsic rewards.

During the eighteenth and nineteenth centuries, “work as an intrinsic value was one of the central concerns of European social thought” (Mason, 1982), One of the primary conceptual shifts towards more meaning in work was a direct result of the thoughts and writings of Marx (1818-1883). As a polemic against capitalism, a system that alienated and barred workers from finding meaning, Marx insisted that this estrangement of humans from meaningful work manifested itself as isolation from ‘life activity, and from his species life...and alienated from other men’ (Marx, 1976). As Marxism spread throughout Europe, the work of socialists Henri de Saint-Simon (1760-1825) in France and Charles Fourier (1772-1837) in France and America, and Robert Owen in the UK and the US for the first time institutionalized utopian, socialist and communitarian ideas. More Psychology during the late industrial revolution and the ideas of Herzberg, McGregor, and Maslow (Mason, 1982). Chalofsky (2003) found that participatory workplaces were integral to meaningful work.

Workplace democracy is a multi-dimensional international concept with foundations in economics, politics and sociology, psychology, and labor history. Generally, theorists suggested that enhancing democracy in the workplace also enhances civic engagement and political democracy and how workers view their work. For clarification Table 1 summarizes the major workplace development theories, their application and related concepts as a result of the review of literature. The major theories that are further discussed below are identified in the table with an asterisk.

Table 2. 1: Major Workplace Development Theories, Applications and Related Concepts

Theory	Application(s)	Related concept(s)
Management	Worker satisfaction for productivity and economic efficiency	Control over means of production Property rights*
Psychoanalytic (psychology)*	Individual and collective psychological dilemmas such as stress and anxiety serve to pervert democracy	Self-object and actual self-other relational theories (Diamond & Allcorn, 2006)
Power relations	Control of identity, self-perception and ‘governmentality’ <i>a la</i> Foucault	Domination and sociological structuralism, i.e., “dialectic view of

		human engagement with social reality”, (Diamond & All corn, 2006, p. 60).
Humanist*	Individual values, voice and development	Ethical, rights-based (non-liberal), morality* Consequentialism
Democratic*	Participation as process towards freedom of choice and decision making “Restore democratic legitimacy to the political process” (Grady, 1990, p. 146) and ‘transfer’ democratic learning from the workplace to society	Social and political equality Restore political and civil participation. Generalizability Developmental democracy (Bachrach, 1967; Pateman, 1970) Autonomy*
Left (participatory)* Intellectual tradition (Greenberg, 1986)	Participation to overcome worker alienation and control; participatory democracy is required in all social institutions; replace capitalism with democratic control	Justice* Revolutionary Overthrow of capitalism
Feminist (Rothschild, 1992)	Collectivist-democracy has same values and organizational practices as feminism.	Ethic of care Socialist (Ferguson, 1984) Anti-hierarchical Response to female subordination at work*
Liberalism (classical) RE: John Locke; the free individual experiences morals even in Nature; social contracts (Mason, 1982).	‘Possessive individualism’ (Macpherson, 1977), especially in the US	Political efficacy (Pateman, 1970) based on individual experience Inalienable rights (Locke, 1632-1704)

<p>Utopianism <i>a la</i> Mannheim's four "images": chiasm (anarchism), liberal-humanitarian ideal (liberalism), conservatism, and socialism-communism (radicalism) (cited in Luhman, 2006)</p>	<p>Oppressive environments cause revolution; immediacy of fulfilling the human potential; a spontaneous activity toward freedom unites people (Luhman, 2006). Radicalism seeks to free people from their unconsciousness of oppression and create a new social order <i>a la</i> critical theory (Frankfurt School) and Marxism</p>	<p>Labor is commoditized and alienated from the control of production Emancipation of self</p>
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Workplace democracy has been theorized by Dahl (1970, 1985) as a moral right. “The right to self-government through the democratic process is itself one of the most fundamental rights that a person can possess” (Dahl, 1985, p. 25). If owners and their managers have the right to impose binding decisions on workers and if they have the capacity shouldn't employees have the right to participate in decision-making? “If we agree that they have a moral right to participate in governing a state, don't they have a comparable moral right to participate in governing a firm?” (Dahl, 2001, p.250-251).

The morality of worker participation and democratic power within organizations is predicated on several related concepts, namely that workers are autonomous and that being treated equally is an issue of justice. The autonomy claim is that freedom to make decisions is a continuation of the right to autonomy that all individuals possess (Dahl, 1985 as cited in Mayer, 2001). The justice claim includes the tenet that ‘equals should be treated equally’ (Cohen in Mayer, 2001, p. 225). This implies that members of an organization are equal and distributive justice defined as an “equal share of power in an organization is an entitlement of all who are subject to its rules” (Mayer, 2001, p. 225) is practiced. According to Dahl (as cited in Mayer, 2001) workers are “entitled to democratic voice in the firm as a matter of right, as a kind of compensation for subjection to the rules” (p. 222). Archer (1994) called the ability of people to have control over the processes that influence them and others the “all-affected principle” (p. 14).

Workplace democracy as moral responsibility has met with criticism however. Mayer (2001) insisted that moral responsibility cannot be advocated in firms because “polities and firms are qualitatively different types of associations in which the entitlements of subjects are distinct. Subjection to power is acquired in different ways in the two kinds of associations, and this difference deprives employees – but not residents – of a moral claim to democratic voice” (p. 223). Additionally, moral responsibility violates the rights of owners and their designees to manage the company (property) as they see fit. Dahl’s notion that employees are equal to citizens/residents requires one to accept that workers are not compelled to obey managerial decisions; “their decision to do so is voluntary” (Mayer, 2001, p. 227).

Race, class and gender are the major bases of social inequality in the workplace. Researchers have found gender effects in attitudes toward workplace democracy and that middle class women in particular support democratic processes, that women support worker participation, and that feminism influences work-based decision making (Collom, 2000, 2001a&b; Markowitz, 1996).

There is a dearth of theory-building research within the context of workplace democracy. A good example of current theory building research is found in labor-managed firms where Luhman (2000; 2006) developed a theoretical framework for workplace democracy. An extensive literature review and subsequent thematic analysis resulted in 23 key concepts of organizational democracy; many of whom were located in the literature and included in the present study. In addition to those listed in Table 2, examples include accountable hierarchical controls, specialized and collective management roles, and consciousness of participation and the greater good (Luhman, 2006). Without transforming theories and concepts into practical application they remain abstract and hard to validate. The next section discusses literature on research and the practice of workplace democracy.

Research & Practice of Workplace Democracy

Workplace democracy has a long history of implementation. The principal example and majority of empirical research on workplace democracy has been that of worker participation. Again, a thorough history of worker participation programs would benefit understanding of its evolution as

a practice. Due to space constraints this is not possible. However, key examples of the historical application of workplace democracy include: Owen's social experiments at New Lanark mills and New Harmony workplaces, Fourier's (1808) *The Social Destiny of Man*, phalanxes, based on "grand hotels," or Phalanstère, communes that offered its members maximum self-fulfillment and participation. The German Weimar Republic (1919-1933) that included the Stinnes-Legien Agreement (Balderston, 2002) that called for collective labor contracts, workplace reforms and an 8-hour work a-day. More recent examples of workplace democracy in action include the Spanish Mondragon Corporation Cooperative (MCC) and Israeli Kibbutzim. MCC is a cooperative with some 150 individual companies, 70,000 workers/owners and sales in excess of 11 billion euros. Successful for a half century, Mondragon exhibits workplace democracy through a shared means production, excellent working conditions and inclusive decision-making (Hatcher, 2002). With a unique form of workplace and community democracy kibbutzim have 100,000 people with over 300 industrial plants.

Some research has shown that cooperative work cultures are as competitive and efficient as other traditional structures (Altman, 2002). However, several researchers note that US participatory programs failed to grant significant power over decisions (Dachler&Wilpert, 1978), and lacked both depth and breadth (Collom, 2000).

Research based on psychoanalytic understandings discovered unconscious and collusive forms of perverting democratic organizational processes (Diamond &Allcorn, 2006). Unfortunately, generalizability is limited since there are very few empirical, Psychologically-based studies available.

The overall literature on the practice of workplace democracy displays specific characteristics and outcomes (Deutsch, 1981; Rothschild, 1992; Butcher & Clark, 2002) that have potential to transform people within organizations by making them more democratic, politically aware and active, social, public spirited, cooperative and concerned for the general good (Dahl, 1985). Characteristics of worker participation include political understanding, solidarity, and perceived and real power (Haque, 2000). See Table 2, Characteristics and Outcomes of the Practice of Workplace Democracy for additional literature-based applications.

Conversely, case study research on several democratic firms by Viggiani (1997) revealed a constellation of hierarchical dilemmas that negatively impacted on workplace democracy including accountability, authority and ownership. The literature also supported the hypothesis that management may resist democratic workplaces on the grounds that it must surrender power and prestige.

The literature supports Zwerdling’s (1984) workplace democracy practice typology of (1) humanitarian reforms, (2) Quality of Work Life (QWL), (3) employee-owned firms, and (4) worker owned and controlled (self- managed) workplaces (cited in Grady, 1990) or what Luhman (2006) called Labor-managed firms (LMF). And, Turner (1997) suggested that workplace democracy in the US is organized around unilateral management control through human resources, labor-management cooperatives involving HR, and rank and file organizing efforts.

Table 2. 2: Characteristics and Outcomes of the Practice of Workplace Democracy

Open communication internally and externally	Fuller participation of women and underrepresented groups
Open governance	Devolved power and responsibility for decisions
Individual freedom of expression and choice	Power is related to relationships versus structure
Meaningful work	Workplace democracy is not possible without “unalienated and meaningful work” (Mason, 1982, p. 102).
Gender and ethnic equity	Tolerance, respect, inclusion of women and underrepresented groups
Less managerialism	Psychological ownership of activities depends on worker contributions, knowledge and competence.

More worker control over the functions that impact them	“Reduce alienation, create a solidarity community based on work, strengthen attachments to the general good of the community, weaken the pull of self- interest. [and], stimulate citizenship in the government of the state itself (Dahl, 1985, p. 95). Individuals have control over their work tasks (Luhman, 2006)
Improved trust and less fear	Legitimacy for workers to question control (Markowitz, 1996)
Enhanced flow of information	Increase in organizational commitment, personal responsibility, ability to change (Harrison & Freeman, 2004)
Worker voice in job design, work requirements and quality	Because worker groups may not be privy to organizational strategies or have the required skills and knowledge they may make incorrect or less than advantageous decisions. Worker group decisions may take an inordinate amount of time and may disrupt normal operations (Harrison & Freeman, 2004).
Flatter, team-based organization structures Non-hierarchical controls (Luhman, 2006)	Educate through participation thus inculcating democratic values in the citizens of the workplace (Grady, 1990)

Human resources delivered programs known as Employee Stock Ownership Plans (ESOP) as a form of worker participation has had less than stellar success. Archer (1995) suggested that workplace democracy is not an issue of ownership, but rather one of control. ESOPs do not exhibit unencumbered worker participation and have not significantly changed management structures from conventional to participatory (Logue & Yates, 1999).

Tenets of the quality movement and TQM such as quality circles enhanced worker participation although there is little evidence of true employee empowerment as a result (Harrison, 1991). These and other ‘human relations’ based initiatives were somewhat successful but were developed in an attempt to improve productivity more than provide for worker democracy.

One of the most visible yet waning examples is union sponsored worker participation programs that have declined in line with overall union density. In the U.S. the percentage of union membership of the workforce fell to 12.5% (Bureau of Labor Statistics, 2005), and one estimate

Surviving a decade of falling densities in the UK, the BBC (British Broadcasting Company, 2005) reported union membership in 2005 at 29% and on the increase, especially for women employees.

Historically and practically, unions have been the bedrock of workplace democracy. Potter & Ngan (1996) found that union sponsored Worker participation programs can yield up to 20 percent productivity gains. Turner (1991) suggested that with the decline of unions in developed countries and the increase in the need for organized labor in developing countries that workplace democracy has a better chance of emerging in developing nations.

Formal workplace democracy plans in the US that stemmed from the need to allow a voice for workers in un-organized (non-union) workplaces included John D. Rockefeller's 'Colorado Industrial Plan'. This plan provided mechanisms for airing of grievances without fear of reprisals or retribution, joint labor-management committees and rights to appeal. These plans are interesting because they attempt to provide democracy in non-union workplaces.

Some widely discussed and researched international examples of the practice of workplace democracy include Mondragon, the Kibbutzim and Owen's social experiments in Scotland. In S. Africa a combination of government regulations such as the Basic Conditions of Employment Act coupled with worker participation programs have been credited with increases in efficiency

Opposing the above examples of praxis, Bowles & Glints (1986) suggested that because worker autonomy and empowerment is "already secured by the competitive structure of labor markets and the liberal democratic structure of the state" (p. 64), workplace democracy is redundant. They also point out the freedom afforded by individuals in the open labor market gives them freedom to exit (quit) a job and take on another. Again, there are contradictions to this assumption in the literature. In times of outsourcing, off shoring and lay-offs and firings, especially in the manufacturing sectors, workers have fewer choices to leave or stay with an employer (Rifkin, 1996).

Implications of Workplace Democracy for HRD

As mentioned in the introduction, to date HRD has not emphasized workplace democracy in its practice nor has the theoretical enrichment or application of workplace democracy been an objective of HRD-related research or conceptual examinations. However, based on this review of

literature several themes of a possible link between workplace democracy and HRD emerged. For example, the information that lack of participation decreases chances for innovation and organizational change has tremendous implications for HRD research and practice intended to address innovation and change.

Much of the more current research on workplace democracy has implications for HRD. The new “class” of workers, which is structurally different from ‘conventional’ workers of the past few decades, is a focus of much HRD research. Rothschild-Whitt and Whitt (1986, p. 297) made the case that “this new class position has implications for job satisfaction, expectations, meaning”, and therefore implications for workplace democracy. And, Collom’s (2001b) research on social inequality and production found race and gender effects on attitudes toward economic democracy.

International HRD is playing a more important role in developing nations as in the example of South Africa. Workplace transitions there since the demise of apartheid include an increase in unionization. A recent study found the roles of management and labour to be similar to a typical industrial country but with potential to decrease racism and introduce political democratic ideas for an increase in workplace democracy (Maller, 1994).

Hi-tech and highly skilled workers and knowledge workers demand autonomy and the opportunity to make decisions and solve problems with little or no managerial control. Yet, there is little evidence of real democratic freedom amongst workers (D’Art, 2002; Fantasia, Clawson & Graham, 1988). Since HRD has a long history with employee empowerment, ethics and value structures it makes sense for the profession to begin to identify interventions that might assist these new workers to achieve a high degree of workplace democracy.

And with increase in minorities and women in the workplace a potential exists to enhance workplace democracy. Researchers have suggested that democratic work may be more relevant for women (Collom, 2000; xxx) and as a concept workplace democracy is suggestive of feminist theory (Rothschild, 1992).

As a common task, HRD should take note of workplace democracy within leadership development. Goldman- Sachs and Sony are examples of corporations with new roles for leaders that include building individual autonomy, supporting choice and variety, widening the latitude of discretion,

building shared purpose and encouraging risk taking by garnering trust through participation (Gratton, 2003).

Finally, the general 'educational case' for workplace democracy suggests that it would give workers a more creative and responsible role in making decisions, thus breeding increased capacities, competencies and more positive attitudes required for societal and political citizenship (Hatcher, 2002).

Conclusions

From a scholarly standpoint contemporary research on workplace democracy is sorely lacking. Echoing the fact that "workplace democracy is but a faint whisper among contemporary social science and management scholars" (Diamond & Allcorn, 2006, p.56), more research is needed on workplace democracy and especially the roles that HRD plays in its success or failure. As private and public organizations continue to focus on global economic growth and performativity, workers continue to be off-shored, out-sourced, fired, marginalized and continually lose ground. "It is vital that workers go beyond bargaining for wages and working conditions to demand overall social and economic justice" (Haque, 2000, p. 240).

Democratic processes within organizations are rife with risks and pitfalls, while economic results are uncertain at best (Harrison & Freeman, 2004). HRD should consider workplace democracy only if it can be defended on the basis of creating or adding value to individuals, the organization and to democratic societies.

Whatever hopes and standards we have for political democracy in our society, we seek in our workplaces We can have participation/democracy that is employer-controlled, "pseudo-participation that gives employees little in the way of empowerment or enduring voice in the workplace" (Turner, 1997, p. 309), or a true democratic workplace where participation and voice are negotiated, entitled and supported by internal and external management and owners, workers, and organized labor. "If we have democracy in political life but not in economic life and if the weight of economic power grows relative to political power, then citizens might have reason to question how democratic society 'really' is and whether political democracy is 'really' of much relevance" (Rengen, 2004, p. 19).

Are we to believe that trickle down economic globalization is responsible for a trickle down democracy? No, democracy is not so laissez-faire. It demands constant vigilance and renewal. There is no reason to believe that democracy in our workplaces should require any less attention.

2.4 Conclusion

The review of related literature of a number of authors and researchers shows that Organizational Performance measured through dimensions of innovativeness and creativity, employee morale, quality of services is greatly dependent on Employee Engagement techniques in Decision Making of suggestion schemes, collective bargaining and industrial democracy respectively and influenced by organizational culture such as organizational vision, Values and Norms.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter entails the methods and materials of the study. It takes into account the entire research design; that is methods adopted in the sampling technique, sample size of the study, the nature and source of data and the way these data were collected and analyzed.

3.2 Research Design

Ogula (2005) describes a research design as a plan, structure and strategy of investigation to obtain answers to research questions and control variance. The researcher used a case study research design. According Bromley (1990), a case study research design is a “systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest” (p. 302). This design was chosen because it provides more realistic responses by focusing on specific and interesting cases. Quantitative and qualitative approaches were employed to allow participants choose from provided responses as well give their views on certain issues.

3.3 Study Population

According to Ogula, (2005), a study population refers to any group of institutions, people or objects that have common characteristics. The study population for the research was sixty-two (62) staff

of Masaka Premier Credit Limited (PCL) who included managers, supervisors, accountants, auditors, information and technology specialists, loans officers and the support staff.

3.4 Area of Study

The area of study is Premier Credit Limited (PCL)- Masaka branch located in Masaka Municipality in Buddu Province of Buganda Kingdom. Premier Credit Limited was established in May 2014 as a credit only microfinance to provide financial solutions to corporates, government and individual entrepreneurs. They continue to leverage on the strong relationships built with their customers to understand their needs and develop products that suit them. Since its launch, Premier Credit has grown to service over 30,000 customers through a countrywide network of more than 22 branches and an end-to-end automated service delivery model. Its head office is located in Kampala City at Kisozi Complex, Plot 8 Nakasero off-Kyagwe Rd, Kampala. Whereas in greater Masaka Municipality, the main offices are located in Masaka Town along Masaka-Kampala road opposite UMEME Offices in Masaka three kilometres (3km) from Nyendo Trading centre. The Micro finance also has twenty two branches which were not all used in this study but mainly used the Masaka branch that in Masaka town found on Zambogo building in Masaka next to Total Petrol Station along Masaka-Kampala road. Other branches are located in Mubende, Soroti, Mbale, Fortportal, Iganga and so on.

3.5 Sample Size and Selection

A sample is part of the target or accessible population that the researcher has chosen to study, representing the rest of the other members of the population (Amin, 2004). This subgroup is carefully selected so as to be representative of the whole population with the relevant characteristics. According to Free body (2003), Sample size is the number of observations used for calculating estimates of a given population. Each member or case in the sample is referred to as subject, respondent or interviewee. The researcher used the Krejcie & Morgan (1970) table to determine the sample size of forty-three (43) respondents.

Table 3. 1: Sample size and selection

EMPLOYEE CATEGORY	POPULATION	SAMPLE SIZE
Managers	6	5
Supervisors	5	4

Auditors	3	2
Accountants	8	6
Loans Officers	28	17
IT Specialists	4	3
Support Staff	8	6
TOTAL	62	43

3.6 Sampling Techniques

Sampling is a procedure, process or technique of choosing a sub-group from a population to participate in the study (Ogula, 2005). The researcher used a purposive sampling technique. According to Oso and Onen (2009) purposive sampling is a technique where by one uses one's common sense to determine the people from whom to gather information.

3.7 Methods of Data Collection

The main data collection instruments that were used in this study included the questionnaire and interview guide.

3.7.1 Questionnaire

Questionnaire is used as a general term which includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (DeVaus 2002). The questionnaires were used because of their potential to reach out to a large number of respondents within a short time as well as offering a sense of security (confidentiality) to the respondent. They were administered to the staff of Premier Credit Ltd.

3.7.2 Interview

An interview is a purposeful discussion between two or more people (Khan and Cannell 1957). An interview was conducted with the Executive Secretary who is in charge of the Human Resources of the organization to help the researcher know the managements' effort in boosting employee involvement in decision-making through suggestion schemes, collective bargaining, industrial democracy and quality management.

3.8 Data Management and Analysis

3.8.1 Data Management

Data management is a term that describes the organization, storage, preservation, and sharing of data collected and used in a research project (University of Pittsburg 2017). The researcher ensured good data management that helped him to prevent errors and increase the quality of his analyses.

3.8.2 Data Analysis

Miles and Huber man (1994) define data analysis as consisting of three concurrent flows of activity that is data reduction, data display and a conclusion drawing/verification part. The Statistical Package for Social Sciences (SPSS version 11.5) was used to run descriptive statistics such as frequency and percentages so as to present the quantitative data in form of tables and graphs. Qualitative data was analyzed using General Content Analysis by identifying patterns and describing situations of the data collected.

3.9 Reliability and Validity

3.9.1 Reliability

Reliability of an instrument is the ability of the instrument to collect the same data consistently under similar conditions (Amin, 2003; 2004). The test re-test technique was used to estimate the reliability of the questionnaire. This involved administering the same questionnaire twice to five similar respondents where similar results were obtained in both tests.

3.9.2 Validity

Validity of study instrument means the extent to which the instrument truly measures what it is intended to measure (Amin, 2003; 2004). To determine the validity of the questionnaire, it was given to the supervisor who said the questions reflected the specific areas intended to be covered in the research.

3.10 Ethical Consideration

Prior to the commencement of data collection, the researcher obtained an introduction letter from the University that he presented to Masaka Premier Credit Ltd administration. The researcher explained to the respondents that the study was purely for academic purposes only. It was made clear that the participation was voluntary and that the respondents were free to decline or withdraw

any information any time during the research period. The respondents were guaranteed that their privacy was to be protected by strict standard of anonymity. All other peoples' work that was used in the literature of this research writing was well referenced.

3.11 Limitations of the Study

The research work was constrained by time because the study was carried out alongside academic work thus limiting the use of various data collection methods, reluctance on the part of respondents (particularly employees) to release vital information for fear of victimization by management and difficulty in getting employees to answer the questionnaires due to the busy nature of their operations were some of the limitations the Researcher encountered during the execution of his Research work.

3.12 Conclusion

This chapter has discussed in depth the methodology and design used to collect data. The instruments used, the way of presentation, analysis and discussions for the basis on which chapter four will base. Even though there are limitations, the methods of data collection, analysis and interpretation will generally result in reliable and consistent conclusion.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

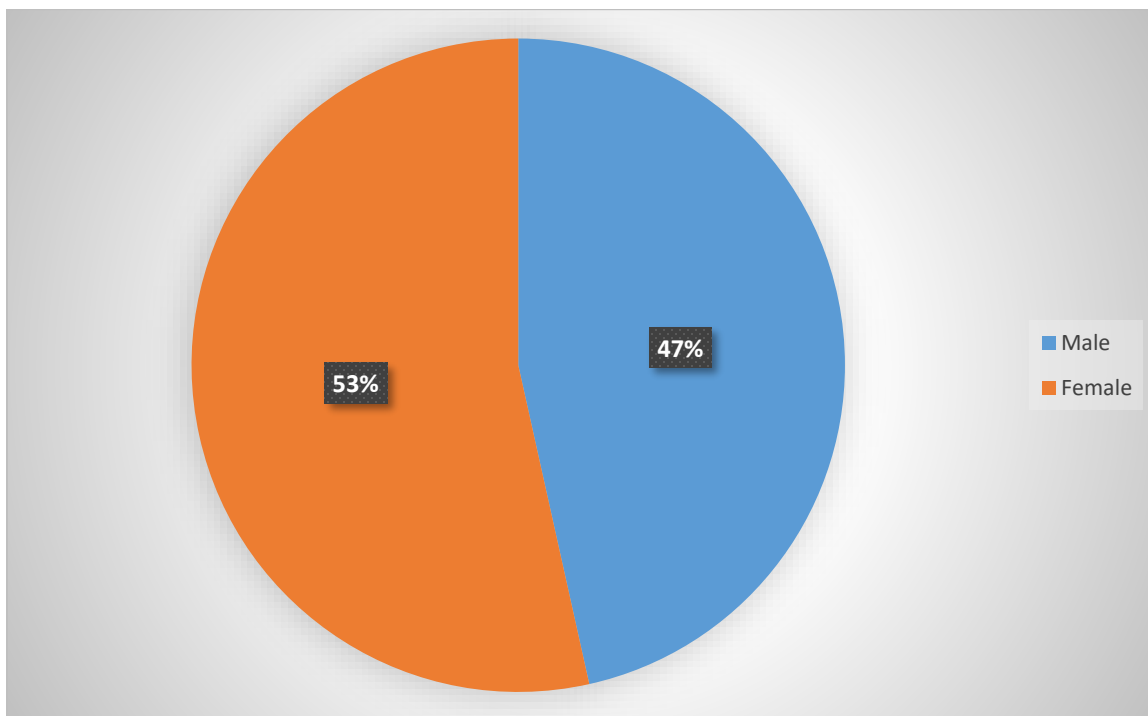
4.1 Introduction

The main objective of this study was to determine the effect of employee engagement techniques in decision-making on the performance of microfinance institutions in Masaka Municipality: a case of Premier Credit Ltd-Masaka Branch.

Data was collected from forty-three (43) respondents both female and male. For the purpose of data analysis, simple descriptive analysis and percentages were used.

4.2 Background information of the respondents

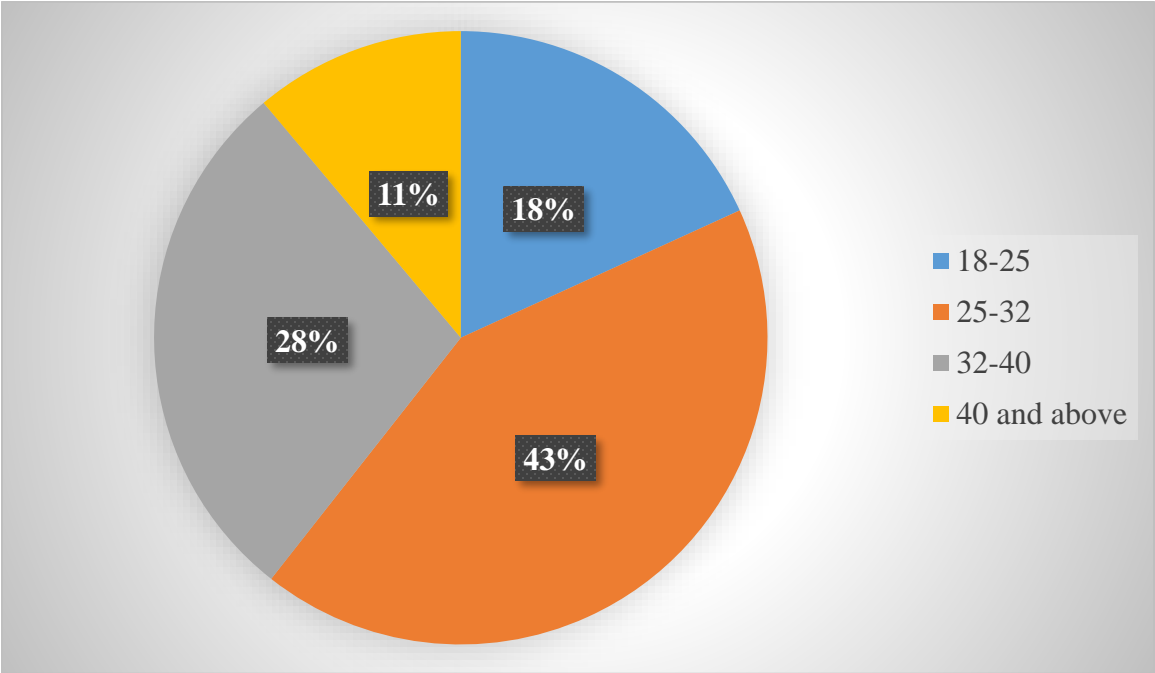
Figure 4. 1: Gender of the respondents.



Source: raw data from the respondents

The findings from the Pie-Chart 4.2:1 of the research indicated that, 23(53%) of the respondents were females whereas 20(47%) were male. This implies that majority of the employees in Premier Credit Ltd were female.

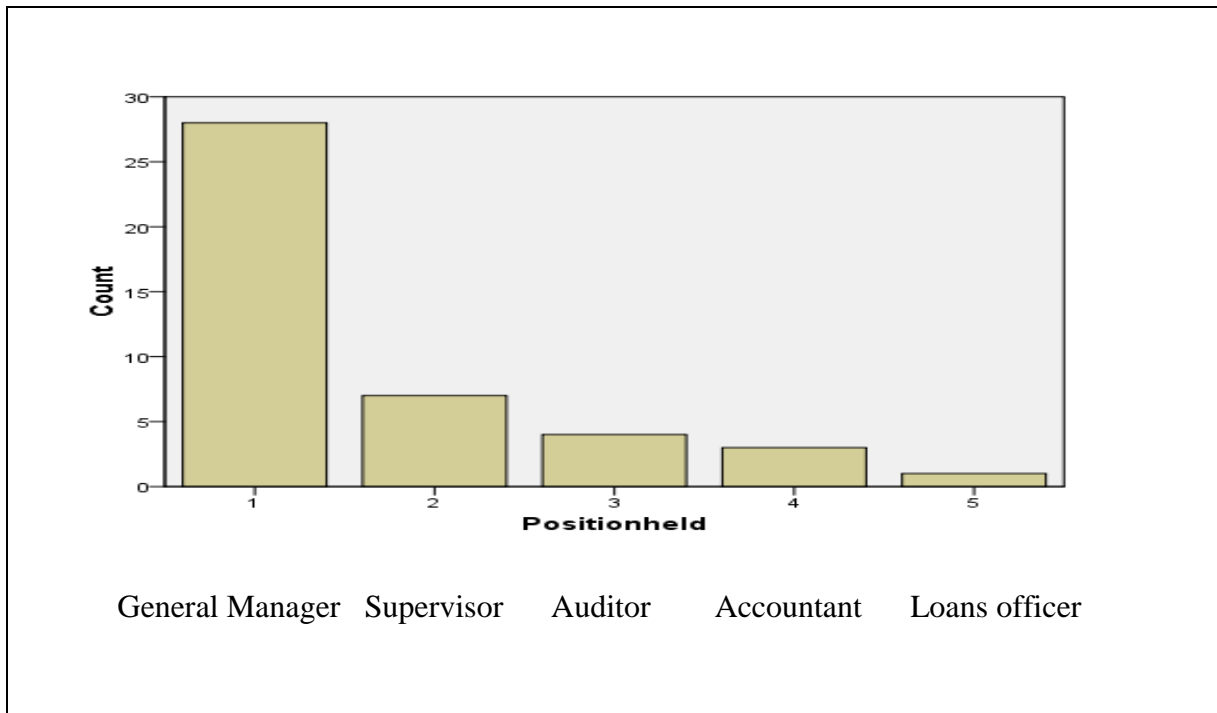
Figure 4. 2: Pie-Chart: Age group of the respondents



Source: raw data from the respondents

The findings from the Pie-Chart 4.2.2 above on the age groups of the respondents revealed that 43% of the respondents were between 25-32 years, 28% were between 32-40 years, 18% were between 18-25 years and 11% were 40 years and above and none of the respondents was below 18 years of age. Therefore, from the above the diagram, it was revealed that majority of the Premier Credit Ltd employees' age was above 25years of age.

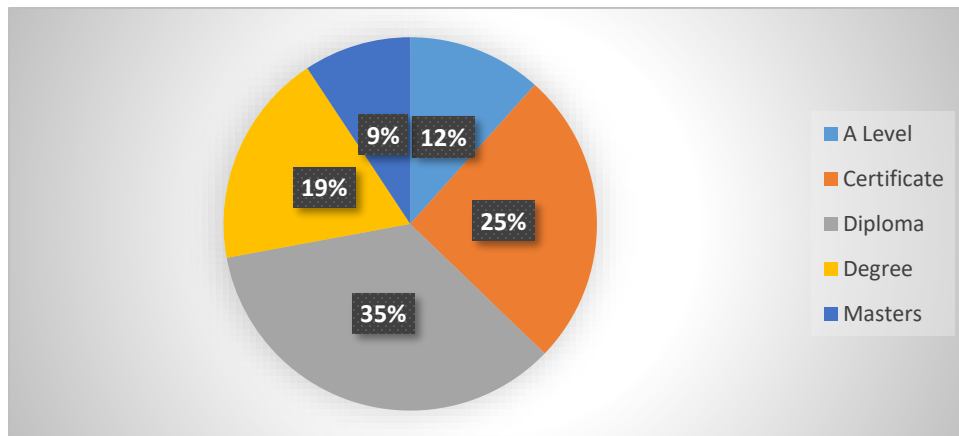
Figure 4. 3: Respondents' position in the company



Source: raw data from the respondents

The findings from the table 4.2.3, on the position of the respondents in the Premier Credit Ltd showed that 28(65%) of the respondents were from the loans department, 07(16%) were supervisors, 04(9%) were Accountants, 03(7%) were from the Auditing department and only 01(6%) were General Manager. This therefore, implies that majority of employees fall under the credit department at Premier Credit Ltd.

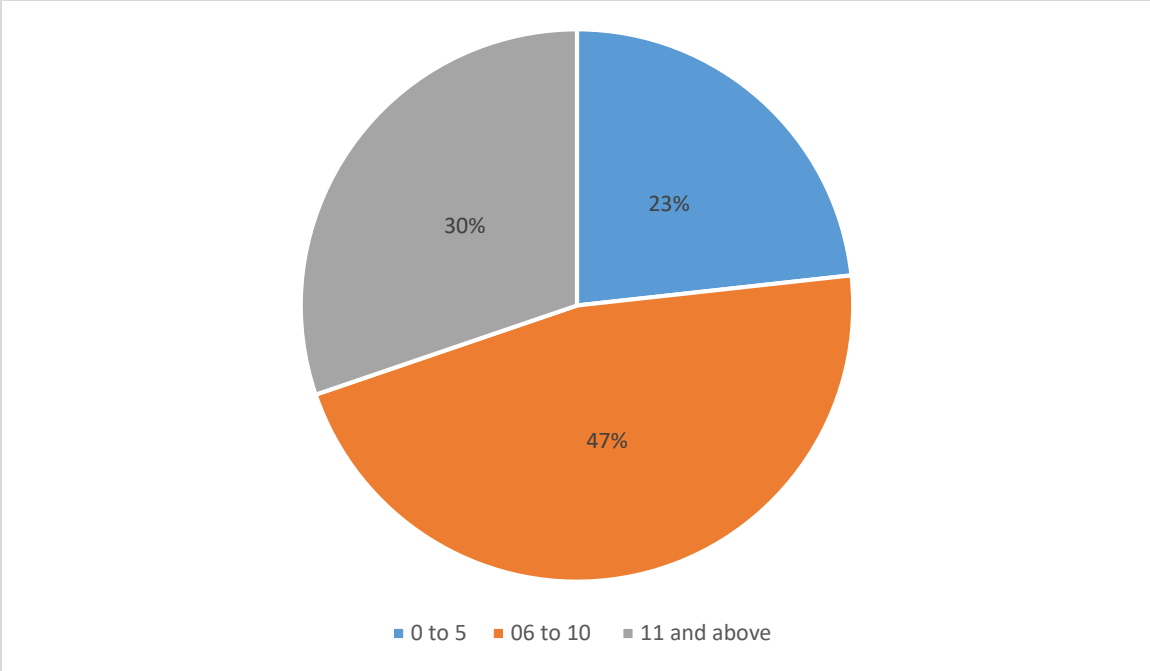
Figure 4. 4: Respondents' highest academic or professional qualification.



Source: raw data from respondents

The findings from the Pie-Chart 4.2.4 above on the highest academic qualification of the respondents indicated that 05 (12%) had A' level, 11 (25%) had CII, 15 (35%) had Diplomas, 08 (19%) had Bachelor's degree, 04 (9%) had masters-degree and none of the respondents had a PhD represented by 0%. This therefore implied that Premier Credit (U) Ltd employees skilled and qualified employees with the majority being Diploma holders.

Figure 4. 5: Respondents' working experience in Premier Credit (U) Ltd



Source: raw data from respondents

The data from the Pie-Chart 4.2.5 on the respondents’ working experience in Premier Credit (U) Ltd revealed that 10(23%) of the respondents were between 0 to 5 years, 20(47%) had between 6 to 10 years’ experience and 13(30%) had above 11years’ working experience in the organization. Therefore, it clearly been that most employees 6 and above working experience implying that there is probably good employee-engagement tools in the organization thus improving employee retention in Premier Credit Ltd.

4.3 The effect of Suggestion schemes on the performance of Premier Credit (U) Ltd.

Table 4. 1: Whether suggestion schemes have an effect on Portfolio quality management of Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	24	56
Agree	04	9
Not Sure	01	2
Disagree	09	21
Strongly Disagree	05	12

Total	43	100
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Source: raw data from the respondents

Whether suggestion schemes have an effect on the level of portfolio quality management of Premier Credit (U) Ltd, the findings from the table 4.3.1 above revealed that 24(56%) of the respondents Strongly Agreed, 05(12%) Agreed, 01(2%) were Not sure, 09(21%) Disagreed and 03(7%) Strongly Disagreed. This therefore implied that majority (65%) of the respondents agreed that suggestion schemes really had a great bearing on the level of Portfolio quality management at Premier Credit Ltd. These findings were in direct agreement with (Rothberg, 2004), (Darragh-Jeromo, 2005). Who argued that employee ideas contribute to the achievement of high performance, excellence and competitive advantage in an organization (Rothberg, 2004). They create a win-win situation for employers and employees alike. Therefore, it cannot be underestimated that portfolio quality management is influenced by employee suggestion schemes at Premier Credit Ltd.

Table 4. 2: Whether there is a relationship between Suggestion schemes and Portfolio Quality Management at Premier Credit (U) Ltd.

Correlations

		Suggestion schemes	Portfolio management
Suggestion schemes	Pearson Correlation	1	.714**
	Sig. (2-tailed)		.000
	N	43	43
Portfolio management	Pearson Correlation	.714**	1
	Sig. (2-tailed)	.000	

N	43	43
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** . Correlation is significant at the 0.01 level (2-tailed).

Source: Milner et al (1995:4)

From the table above, the two variables show that there is a high positive correlation co-efficient (r) of (r=0.714) 71.4%. Therefore, a change in the level of productivity of suggestion schemes affects the level of Portfolio quality management by 71.4%. This implies that suggestion schemes at Premier credit Ltd have a greater influence to the level of portfolio management in the firm.

Table 4. 3: Whether suggestion schemes have an effect on Efficiency and Productivity of Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	28	65
Agree	05	12
Not Sure	01	2
Disagree	06	14
Strongly Disagree	03	7
Total	43	100

Source: raw data from the respondents

Whether suggestion schemes affect the level of productivity and efficiency at Premier credit Ltd, the findings from the table 4.3.3 above indicated that 28(65%) of the respondents strongly Agreed, 05(12%) Agreed, 01(2%) Not sure, 06(14%) Disagreed, and 03(7%) strongly disagreed. Therefore,

this implied that majority (77%) of the respondents were in conformity with the effect of suggestion schemes on organizational efficiency and productivity. Besides, the findings were also in line with (Coleman, 2007. Jones et al. (2010) who argued that productivity of a firm is best achieved through allocating workers more responsibility and power to decide over some issues affecting them. Therefore, the productivity and efficiency of microfinances is greatly influenced by suggestion schemes.

Table 4. 4: Whether there is a relationship between Suggestion schemes and Efficiency and Productivity at Premier Credit (U) Ltd.

Correlations

		Suggestion schemes	Efficiency and productivity
Suggestion schemes	Pearson Correlation	1	.779**
	Sig. (2-tailed)		.000
	N	43	43
Efficiency & productivity	Pearson Correlation	.779**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: (Carnevale and Sharp 1993).

From the table above 4.3.4, shows that the two variables have a very high positive correlation coefficient(r) of ($r=0.779$) 77.9%. Thus a change in suggestion scheme performance, affects the level of efficiency and productivity at a rate of 77.9%. This implies that suggestion schemes affected Premier credit's productivity and efficiency and have a greater influence in determination of the level of performance in an organization!

Table 4. 5: Whether suggestion schemes have an effect on Profitability of Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	30	70
Agree	04	9
Not Sure	00	0
Disagree	07	16
Strongly Disagree	02	5
Total	43	100

Source: raw data from the respondents

Whether suggestion schemes affect the level of Profitability at Premier credit Ltd, the findings from the table 4.3.5 above showed that 30(70%) of the respondents Strongly Agreed, 04(9%) Agreed, 00(0%) Not sure, 07(16%) Disagreed, and 02(5%) strongly disagreed with the majority (79%) respondents agreeing that suggestion schemes bear an impact on the level of profitability of Premier Credit (U) Ltd. These investigations were in correlation with the research made by The Employee Involvement Association (EIA) 2004 annual suggestion program which provided statistics from forty (41) of its member organizations in the United States. From this limited sample, a total of more than \$811 million in savings and other benefits were realized as a result of employee suggestion programs (Townsend, 2009).

Table 4. 6: Whether there is a relationship between Suggestion schemes and Profitability at Premier Credit (U) Ltd.

Correlations

	Suggestion schemes	Profitability
Suggestion schemes	Pearson Correlation	.883**
	Sig. (2-tailed)	.000
	N	43
Profitability	Pearson Correlation	.883**
	Sig. (2-tailed)	.000
	N	43

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

Source: Martin (2008),

From the table 4.3.6 above, it revealed that there was a high correlation co-efficient (r) of (r=0.883) 88.3%. Hence a change in effectiveness of suggestion schemes affects the level of profitability of Premier Credit (U) Ltd at 88.3%. This therefore implies that the level of profitability of Premier Credit Ltd is affected by suggestion scheme efficiency hence a greater influence by suggestion schemes on profitability of the firm.

4.4 The effect of Collective Bargaining and Portfolio Quality Management at Premier Credit (U) Ltd.

Table 4. 7: Whether Collective Bargaining and Organizational culture affects Portfolio Quality Management at Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	02	5
Agree	16	37
Not Sure	05	12

Disagree	08	18
Strongly Disagree	12	28
Total	43	100

Source: raw data from the respondents

Whether Collective Bargaining has an effect on the level of portfolio quality management of Premier Credit (U) Ltd, the findings from the table 4.3.8 above revealed that 02(5%) of the respondents Strongly Agreed, 16(37%) Agreed, 05(12%) were not sure, 08(18%) Disagreed and 12(28%) Strongly Disagreed. This concluded that majority (46%) of the respondents disagreed that collective bargaining had an influence on the level of portfolio management at Premier Credit Ltd. According to Condrey (2010) the involvement of the employees during the collective bargaining process increases their motivation due to participation. This helps the employers to have a better relationship with the employees as they can understand the employees better and they can also consult with the representative of the union and also discuss their problems as well (Rose, 2008). The managers also have a better grip at management due to the fact that the union leader has the responsibility of smooth running of operations, after the demand of the union is fulfilled. However, this was not case at Premier Credit Ltd since they did not have formalized union that collectively joined them and as such, the employees lacked a common voice hence hampering portfolio management.

Table 4.8: Whether there is a relationship between Collective Bargaining and Portfolio Quality Management at Premier Credit (U) Ltd.

Correlations

		Collective bargaining	Portfolio management
Collective bargaining	Pearson Correlation	1	.823**
	Sig. (2-tailed)		.000

Portfolio management	N	43	43
	Pearson Correlation	.823**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: Condrey (2010)

From the table 4.3.8 above, the two variables indicated that there was a high correlation co-efficient (r) of (r=0.823) 82.3%. Any change in collective bargaining position of employees affects the level of portfolio management of workers of Premier credit ltd by 82.3%. This therefore, implies that portfolio quality management is affected by workers' bargaining power collectively which has a greater influence in determination of organizational performance.

4.5 The effect of Collective Bargaining and Organizational Efficiency and Productivity at Premier Credit (U) Ltd.

Table 4.9: Whether Collective Bargaining and Organizational culture affect Organizational Efficiency and Productivity at Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	24	56
Agree	12	28
Not Sure	01	2
Disagree	04	9
Strongly Disagree	02	5
Total	43	100

Source: raw data from the respondents

Whether Collective Bargaining has an effect on the level of organizational efficiency and productivity of Premier Credit (U) Ltd, the findings from the table 4.4.1 above revealed that 24(56%) of the respondents Strongly Agreed, 12(28%) Agreed, 01(2%) were Not sure, 04(9%) Disagreed and 02(5%) Strongly Disagreed. From the findings above, it was revealed that majority (84%) of the respondents was in agreement that collective bargaining and organizational culture influenced efficiency and productivity of Premier Credit (U) Ltd. These findings were agreement by other scholars as argued by Sims (2007) who said that employees unite together to form a union and select a representative who negotiate with a representative from the employers and discuss about rules, wages, hours, benefits and working conditions of the workplace.

This helps the employees by ensuring them stability and certainty which increases the level of their job satisfaction (Khan and Soverall, 2007). Once the employees are ensured with job security, they try to sustain their existence in that organization and hence they focus on being more productive (Howell, 2007).

Table 4.10: Whether there is a relationship between Collective Bargaining and organizational efficiency and productivity at Premier Credit (U) Ltd.

Correlations

		Collective bargaining	Efficiency and productivity
Collective bargaining	Pearson Correlation	1	.779**
	Sig. (2-tailed)		.000
	N	43	43
Efficiency & productivity	Pearson Correlation	.779**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: (Dessler and Varkkey, 2009).

From the table 4.4.2 above, the variables revealed that there was a high correlation co-efficient (r) of (r=0.779) 77.9%. A change in collective bargaining power of employees affects the level of efficiency and productivity of workers of Premier credit ltd by 77.9%. This therefore, implies that efficiency and productivity of employees is affected by their bargaining power collectively which has a greater influence in determination of organizational performance in terms of efficiency and productivity.

Table 4. 11: Whether Collective Bargaining has an effect on Profitability/Cost-effectiveness of Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	10	23
Agree	01	2
Not Sure	08	19
Disagree	15	35
Strongly Disagree	09	21
Total	43	100

Source: raw data from the respondents

Whether Collective Bargaining has an effect on the level of organizational Profitability/Cost-effectiveness of Premier Credit (U) Ltd, the findings from the table 4.4.3 above revealed that 10(23%) of the respondents Strongly Agreed, 01(2%) Agreed, 08(19%) were Not sure, 15(35%) Disagreed and 09(21%) Strongly Disagreed. From the findings above, it was revealed that majority (56%) of the respondents were in disagreement that collective bargaining and organizational culture influenced Profitability/Cost-effectiveness of Premier Credit (U) Ltd and theses were mainly at management level. These findings directly concur with some scholars' work. For instance, According to the economic literature, the impact of unions on firm profitability derives from their impact on wages to labor productivity (Hirsch 2003; Metcalf 2003). One of the most well-known effects of unions is their ability to raise wages above competitive levels. Therefore, the impact of unions on profitability depends on the scale of potential rents, which is related to the market structure facing the firm, and firm-specific advantages like R&D or advertising. In these firms, it will be easier for unions to obtain higher wages for workers (Hirsch and Addison 1986).

In short, assuming that unions raise wages, they will have a detrimental impact on firm profits if they produce no other effects to offset higher wage levels (Hirsch 1991).

Examining the empirical issue of the economic analysis of unions, Addison and Hirsch (1989) point to the importance of market structure in the relationship between unions and firm profitability and discuss the economic impact of unions in various contexts and periods. Freeman (1983) suggests that unions lower financial performance primarily in highly concentrated industries and that monopoly power is the primary source of union rent. Karier (1985, 1988) and Salinger (1984) reach a similar conclusion. Clark (1984), by contrast, found no significant relationship between unions and profit in the case of high market share. Voos and Mishel (1986) conducted a study using a simultaneous determination of profit and unionism. They found a stronger negative effect of unions on profitability where the union variable is endogenous. However, they did not find that unions had a major impact on profits in highly concentrated industries.

Table 4.12: Whether there is a relationship between Collective Bargaining and Profitability/Cost-effectiveness at Premier Credit (U) Ltd.

Correlations

		Collective bargaining	Profitability
Collective bargaining	Pearson Correlation	1	.761**
	Sig. (2-tailed)		.000
	N	43	43
Profitability	Pearson Correlation	.761**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: (Mondy and Mondy, 2009).

From the table 4.4.4 above, the variables showed that there was a high correlation co-efficient (r) of (r=0.761) 76.1%. A change in collective bargaining power of employees affects the level of profitability of workers of Premier credit ltd by 76.1%. This therefore, implies that the profitability of the firm in question is affected by the bargaining power of workers which has a greater influence in determination of organizational performance in terms of profitability and productivity.

The effect of workplace democracy and Organizational performance at Premier Credit (U) Ltd.

Table 4.13: Whether workplace Democracy contributes to Organizational Profitability at Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	12	28
Agree	03	7
Not Sure	02	5
Disagree	18	42
Strongly Disagree	08	18
Total	43	100

Source: raw data from the respondents

Whether Workplace Democracy has an effect on the level of Profitability of Premier Credit (U) Ltd, the findings from the table 4.4.6 above revealed that 12(28%) of the respondents Strongly Agreed, 03(7%) Agreed, 02(5%) were not sure, 18(42%) Disagreed and 08(18%) Strongly Disagreed. Conclusively therefore, this implied that majority (60%) of the respondents at Premier Credit disagreed whether workplace democracy had an influence on organizational performance particularly on the level of profitability in the firm. This is so because workers have fewer opportunities to experience workplace democracy in the organization. The findings were in conformity with some scholars' work since on the one hand, participation on the decision-making level can take decision-making power away from the employer, leading to inefficient business decisions (Jensen and Meckling, 1979). On the other hand, participation systems such as works councils can improve communication, worker innovation and increase surplus within the firm (Freeman and Lazear, 1995). The gains from workplace cooperation and participation don't necessarily convert to larger profits for the firm. Cooperation procedures can lead to higher compensation through increased productivity, added direct costs of negotiation, and indirect costs of potentially losing business opportunities because of delays (Addison et al., 2001; Freeman and Lazear, 1995; Lakiyhteistoiminnastayrityksissä, 2007).

Table 4.14: Whether workplace Democracy contributes to Organizational efficiency and productivity at Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	17	39
Agree	15	35
Not Sure	03	7
Disagree	06	14
Strongly Disagree	02	5
Total	43	100

Source: raw data from the respondents

Whether Workplace Democracy contributes to the level of Organizational efficiency and productivity of Premier Credit (U) Ltd, the findings from the table 4.4.7 above revealed that 17(39%) of the respondents Strongly Agreed, 15(35%) Agreed, 03(7%) were Not sure, 06(14%) Disagreed and 02(5%) Strongly Disagreed. From the data above, this implied that majority (74%) of the respondents agreed that workplace democracy had a great bearing in the efficiency and productivity of the firm. Therefore, the findings by other scholars also confirmed that workplace democracy really improves efficiency and productivity of organizations as cited by numerous authors as below. Workplace democracy has been theorized by Dahl (1970, 1985) as a moral right. “The right to self-government through the democratic process is itself one of the most fundamental rights that a person can possess” (Dahl, 1985, p. 25). If owners and their managers have the right to impose binding decisions on workers and if they have the capacity shouldn’t employees have the right to participate in decision-making? “If we agree that they have a moral right to participate in governing a state, don’t they have a comparable moral right to participate in governing a firm?” (Dahl, 2001, p.250-251).

The morality of worker participation and democratic power within organizations is predicated on several related concepts, namely that workers are autonomous and that being treated equally is an issue of justice. The autonomy claim is that freedom to make decisions is a continuation of the right to autonomy that all individuals possess (Dahl, 1985 as cited in Mayer, 2001). The justice claim includes the tenet that ‘equals should be treated equally’ (Cohen in Mayer, 2001, p. 225). This implies that members of an organization are equal and distributive justice defined as an “equal share of power in an organization is an entitlement of all who are subject to its rules” (Mayer, 2001, p. 225) is practiced. According to Dahl (as cited in Mayer, 2001) workers are “entitled to democratic voice in the firm as a matter of right, as a kind of compensation for subjection to the rules” (p. 222). Archer (1994) called the ability of people to have control over the processes that influence them and others the “all-affected principle”.

Table 4. 15: Whether workplace Democracy affects portfolio quality management at Premier Credit (U) Ltd.

Response	Frequency	Percentage (%)
Strongly Agree	14	33

Agree	19	44
Not Sure	02	5
Disagree	07	16
Strongly Disagree	01	2
Total	43	100

Source: raw data from the respondents

Whether Workplace Democracy has an effect on the level of Portfolio quality management of Premier Credit (U) Ltd, the findings from the table 4.4.8 above revealed that 14(33%) of the respondents Strongly Agreed, 19(44%) Agreed, 02(5%) were Not sure, 07(16%) Disagreed and 01(2%) Strongly Disagreed. Conclusively therefore, this implied that majority (77%) of the respondents at Premier Credit Agreed that workplace democracy had an influence on organizational performance particularly on the level of portfolio management in the firm. This is so because workers have the opportunity to experience workplace democracy in the organization as regards to decision-making. The findings were in conformity with some scholars’ work such as Miller (1999) as cited in Holtzhausen (2002) added that it’s “more than participation, “it involves the realization in the workplace of our standards for a democratic society”. Broadly, Harrison and Freeman (2004) added that “any action, structure, or process that increases the power of a broader group of people to influence the decisions and activities of an organization can be considered a move [the workplace] toward democracy” leading to efficient business decisions (Jensen and Meckling, 1979). On the other hand, participation systems such as works councils can improve communication, worker innovation and increase surplus within the firm (Freeman and Lazear, 1995).

Table 4. 16: Whether there is a relationship between workplace democracy and Profitability at Premier Credit (U) Ltd.

Correlations

		Workplace democracy	Profitability
Industrial democracy	Pearson Correlation	1	.922**

	Sig. (2-tailed)		.000
	N	43	43
Profitability	Pearson		
	Correlation	.922**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: (de Villers & Kooy, 2004).

From the table 4.4.7 above, the variables revealed that there was a very high positive correlation co-efficient (r) of (r=0.922) 92.2%. A change in the workplace democracy of employees affects the level of profitability of Premier credit ltd by 92.2%. This therefore, implies that the profitability of employees is affected by their democracy while at work premises which has a greater influence in determination of organizational performance in terms of profitability by the firm.

Table 4. 17: Whether there is a relationship between workplace democracy and Organizational Efficiency and Productivity at Premier Credit (U) Ltd.

Correlations

	Industrial/ workplace democracy	Efficiency and productivity
Industrial democracy	Pearson	
	Correlation	.930**
	Sig. (2-tailed)	.000
	N	43
Efficiency and productivity	Pearson	
	Correlation	.930**

Sig. (2-tailed)	.000	
N	43	43

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

Source:Z werdling’s (1984), (de Villers&Kooy, 2004).

From the table 4.4.8 above, it revealed that there was a very high correlation co-efficient (r) of (r=0.930) 93% between the two variables. A change in the workplace democracy of employees affects the level of efficiency and productivity of Premier credit ltd by 93%. This therefore, implies that the productivity of employees is affected by their democracy in workers’ affairs while at work premises which has a greater influence in determination of organizational performance in terms of productivity levels and efficiency by the firm.

Table 4. 18: Whether there is a relationship between workplace democracy and Portfolio Quality Management at Premier Credit (U) Ltd.

Correlations

		Portfolio management	Industrial democracy
Portfolio management	Pearson Correlation	1	.647**
	Sig. (2-tailed)		.000
	N	43	43
Industrial democracy	Pearson Correlation	.647**	1
	Sig. (2-tailed)	.000	
	N	43	43

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

Source: (Daniel and McIlroy, 2009), (Caisley, 2007)

From the table 4.4.9 above, it was revealed that there was a moderate correlation co-efficient (r) of ($r=0.647$) 64.7% between the two variables. A change in the Industrial democracy of employees affects the level of Portfolio management of Premier credit ltd by 64.7%. This therefore, implies that the productivity of employees is affected by their democracy in workers' affairs while at workplace which has a slightly greater influence in the determination of organizational performance in terms of portfolio levels and management by the firm.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, the conclusions and recommendations of the study derived from the research carried out. It is divided into sections 5.2 on the summary of the study, section 5.3 on the conclusion, section 5.4 on the policy recommendation, section 5.5 on the limitations of the study and lastly section 5.6 on recommendation for further research.

5.2 Summary of the findings

5.2.1: The effect of suggestion schemes on the performance of Premier Credit Ltd.

Whether suggestion schemes have an effect on portfolio quality management at Premier Credit (U) Ltd, the findings revealed that majority of the respondents agreed that suggestion schemes really had a great bearing on the level of Portfolio quality management at Premier Credit Ltd and these findings were in direct agreement with (Rothberg, 2004), (Darragh-Jeromo, 2005). Who argued that employee ideas contribute to the achievement of high performance, excellence and competitive advantage in an organization (Rothberg, 2004). They create a win-win situation for employers and employees alike. Therefore, it cannot be under estimated that portfolio quality management is influenced by employee suggestion schemes at Premier Credit Ltd.

Finally, on whether there is a relationship between suggestion schemes and portfolio management at Premier Credit Ltd, the findings revealed that increased engagement of employees in decision-making motivates them hence improving their performance.

5.2.2: The effect of Collective Bargaining on the performance of Premier Credit Ltd.

Whether collective bargaining has an effect on Organizational efficiency and productivity, From the findings above, it was revealed that majority of the respondents were in disagreement that collective bargaining and organizational culture influenced Profitability/Cost-effectiveness of Premier Credit (U) Ltd and theses were mainly at management level and besides, there was no workers union in the organization that would unite all workers. These findings directly concur with some scholars' work. For instance, According to the economic literature, the impact of unions on firm profitability derives from their impact on wages to labor productivity (Hirsch 2003; Metcalf

2003). One of the most well, known effects of unions is their ability to raise wages above competitive levels. In short, therefore, assuming that unions raise wages, they will have a detrimental impact on firm profits if they produce no other effects to offset higher wage levels (Hirsch 1991).

Conclusively, whether there is a relationship between collective bargaining and organizational efficiency and productivity, the findings showed a negative relationship since a high influence of collective bargaining negatively affected the profitability of the firm and this was so because of the union's ability to advocate for higher wages above the competitive position of the firm.

5.2.3: The Relationship between Industrial democracy and Performance of Premier Credit (U) Ltd.

Whether Industrial democracy affects profitability of Premier Credit (U) Ltd, the findings showed that majority of the employees at Premier Credit Ltd disagreed on whether workplace democracy had a positive influence on organizational performance particularly on the level of profitability in the firm. This was so because workers have fewer opportunities to experience workplace democracy in the organization. The findings were in conformity with some scholars' work since on the one hand, participation on the decision-making level can take decision-making power away from the employer, leading to inefficient business decisions (Jensen and Meckling, 1979).

Finally, whether there is a relationship between workplace democracy and profitability of Premier Credit (U) Ltd, the findings from raw data showed some trivial relationship between the two variables since, participation systems such as works councils can improve communication, worker innovation and increase surplus within the firm (Freeman and Lazear, 1995). However, the gains from workplace cooperation and participation don't necessarily convert to larger profits for the firm. Cooperation procedures can lead to higher compensation through increased productivity, added direct costs of negotiation, and other indirect costs thus lowering profitability of the firm.

5.3 Conclusion

The main objective of the study above was to determine the effect of Employee engagement in decision-making on the performance of Microfinance Institutions in Masaka Municipality. Therefore, from the findings above, it is paramount for the study to conclude that indeed the performance of Microfinances is depend-ant on engaging all employees in the decision-making

process of the company in companies particularly microfinances are to thrive in Uganda since these have a great bearing on employee-work perception, motivation and productivity. This was so because the findings revealed that companies with efficient employee suggestion schemes achieve a greater of productivity from their employees due to high engagement levels in the firm.

Furthermore, there was a great positive relationship among other important variable such as collective bargaining, workplace democracy and ownership where employees tend to show greater concern to their employers' work leading to efficiency and productivity in the performance of the employees while handling the tasks assigned to them while at work. According to Condrey (2010) argues that the involvement of the employees during the collective bargaining process increases their motivation due to participation. This helps the employers to have a better relationship with the employees as they can understand the employees better and they can also consult with the representative of the union and also discuss their problems as well (Rose, 2008). Likewise, According to Dahl (as cited in Mayer, 2001) workers are "entitled to democratic voice in the firm as a matter of right, as a kind of compensation for subjection to the rules" (p. 222). Archer (1994) called the ability of people to have control over the processes that influence them and others the "all-affected principle"

5.4 Recommendation

Based on the study findings, the researcher advances various recommendations to be considered in regard to policy formulation as far as employee engagement is concerned. This is so because Employee involvement in decision-making plays an important role in organizations because it affects workers "performance. Therefore, the level of employee engagement greatly affects performance of employees and the organization as a whole in terms of productivity of employees, profitability to the firm and employee-efficiency in terms of task executions. First and foremost, the level of employee engagement has a positive effect on the performance of microfinances in Masaka Municipality which therefore, implies that an efficiently engaged workforce implies more revenues to the firm in terms of loan portfolio growth rate, capacity building and problem solving skills such as proper handling of overdue loans and defaulters by the organization. However, there is need for the government through the Central Bank to regulate the activities and policies of microfinance institutions in Uganda in order to prevent them from exploiting both clients and employees at the expense of the profit motive driven nature policies exercised by microfinances

especially the interest rates which are usually quite higher as compared to that of commercial banks. The government should also strictly monitor and discipline all those firms violating the guidelines set by Central Bank. Thus improving service delivery and enhancing customer satisfaction by microfinance firms in Uganda.

However, due to the fact that many microfinance institutions face a problem of inadequate capital to carry out their activities and yet their contribution to National GDP cannot be under estimated, the government should therefore advance long term loans with a very low interest rate to them through the commercial banks and payable within a long period of time to enable them compete competitively in the economy and also earn profits to their shareholders.

Finally, the management of microfinance institutions should also increase on the Deposit Protection Fund of Microfinance firms in order to restore and instil the lost trust of customers back in the services of these firms since a number of issues have frequently flopped up where customers come to withdraw their moneys on their accounts and money is not readily available for them to meet their recurring needs as some managers tend to invest these moneys in fruitless ventures whose returns are either negative or next to zero in a bid to make personal profits at the expense of the audience they serve. It was therefore also recommended that management should involve employees in decision making on matters, which affected the workers and the organizations as a whole.

Lastly, but not the list, it was recommended that microfinance institutions should heavily invest in financial analysts such as auditors to investigate performance in multi-dimensional aspect to establish the true fairing of these institutions in terms of employee engagement and customer satisfaction levels if they to compete efficiently both national and international level.

5.5 Suggestions for Further Research

Based on the limitations of the study, the researcher's findings and experiences during the course of executing the study revealed that a lot more needed to be done and studied in order to proper comprehend the true need of employee engagement if organizations are to achieve better performance. For instance, more research needs to be done in areas to do with the business environment in terms of the external social, economic, and political conditions that influence the firm's actions in response to an engaged manpower. This is so because it helps firms to know

which environments they are compatible with and how they influence an engaged workforce towards improved performance.

Therefore, the study recommends that there's still more need to do another study in the field of microfinances using other control variables to in order to establish the true and fair relationship/impact between an engaged workforce and a disengaged workforce versus organizational performance.

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APPENDICES

Appendix I: Introduction letter

Appendix II: Questionnaire

Questionnaire for the General manager, Branch manager, Supervisors, Auditors, Accountants, Loans officers, IT Specialists and the Support staff of the Premier Credit (U) Ltd specifically Masaka Branch.

Dear Respondent,

This questionnaire is designed to collect information about the **“The effect of Employee Engagement in decision-making on the performance of Microfinance Institutions” using Premier Credit Masaka Branch as my Case study.**

This is an academic research topic and therefore your contribution towards filling in this questionnaire will greatly contribute to my academic success in life. Therefore, the information provided and collected shall be strictly treated with utmost confidentiality and will exclusively be used for academic purposes only!

You have been purposely selected to participate in this study, so please kindly request you to answer the questions provided to the best of your knowledge, accurately and without fear of any victimization.

Please respond to all questions, unless otherwise there is no such a provision.

Your requested to respond by ticking () next to the response applicable.

Thank you so much.

Section A; Background information.

1. Bio data of the respondent

Please tick where applicable

1. Gender: a. Male b. Female
2. Position held: a. General. Manager b. Supervisor c. Auditor
d. Accountant e. Loans Officers f. IT specialist
3. Education level: a Diploma b. Bachelor’s Degree
c. Master’s Degree d. Certificate

Others, specify.....

4. Age: a 18-25 years b. 25-32 years c. 32-40 years d. 40 and above
5. Working experience: a. 0-5 years b. 6-10years c. 11year & above

SECTION B: Suggestion schemes and organizational performance.

Milner et al (1995:4) defined suggestion scheme as a “formalized mechanism that encourages employees to contribute constructive ideas for improving the organization in which they work”.

Please tick the letter that best suits your response.

SA=strongly agree, **A**=agree, **NS**= not sure, **D**=Disagree **SD**= strongly disagree.

No	Statement	SA	A	NS	SD	D
1	My opinions also seem to count when planning for the organization.					
2	Ideas and opinions are sought from me during important decisions affecting the organization					
3	As an organization, teamwork is strongly encouraged and exhibited.					
4	There is supervision rendered to me by my immediate supervisor					
5	The mission/purpose of the organization make me feel that my job is important.					

What is your opinion on the importance of suggestion schemes in decision-making in your organization?

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SECTION C: Collective Bargaining.

Collective bargaining is defined by Pyners (2008) as a process in which representatives of the employers and representatives of the trade union negotiate the rights of the employees and conditions under which the labor should be employed.

No	Statement	SA	A	NS	SD	D
1	I feel accepted by my co-immediate workers.					
2	I receive feedback in relation to work place challenges through our representatives.					
3	My supervisor encourages me to develop while at work.					
4	The manager always ensures that I have the material and equipment required to do my job.					

In summary, how effective is the trade union of your organization and does your supervisor see you as a person or a robot, does he/she anyway do things that demonstrate that he cares?

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SECTION D: The effect of Industrial Democracy on Organizational performance.

No	Statement	SA	A	NS	SD	D
1	The employees in different departments are represented at the board level.					
2	Employees’ opinions are properly represented by their leaders.					
3	My rights as a worker are properly respected and promoted					
4	Freedom of association is practiced at my work place.					
5	There is open communication at the place of work.					

Comment on Industrial democracy as regards performance of your organization.

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.....

SECTION D: Portfolio quality management on performance of an organization

No	Statement	SA	A	NS	SD	D
1	Our organization has limits for individual loans.					
2	Totally over-due loans are written off by the company.					
3	Credit derivatives also ensure portfolio quality management.					
4	Strict deadlines are ensured and adhered to by the organization.					

How are overdue loans dealt with in your organization and what implications does it have on you as an employee?

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.....
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Appendix II: Morgan's Table

Table 1: Table for Determining Sample Size for a given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970