Participative Management and Job Satisfaction: A Case of Bangladesh

Sharmeen Akhter, Suman Prosad Saha, and Iftekhar Mahfuz

This paper investigates the relationship between participative management and job satisfaction in the private organizations of Bangladesh. Data was collected via structured questionnaire from 290 employees from several firms at different occupational level and analyzed to evaluate the strength of hypothesized relationship, if any, among the constructs, which include Manager’s use of a participative management style, Participative strategic planning process and Supervisory communications as independent variables or predictors and Job satisfaction as the dependent variable. The results provide enough evidence to support the hypothesized relationship and useful information for firms in formulating strategies to enhance the participative management style for creating employees’ job satisfaction.

Keywords: Job Satisfaction, Private Sector, Bangladesh

1. Introduction

Implementation of effective human resource management practice in organization is one of the most important challenges faced by the managers to boost the satisfaction level of employees which in turn will enhance the organization’s performance. So, it is considered extremely important for the organization’s strategic management to emphasis the human resources strategies like participative management, employee participation, empowerment to enhance the job satisfaction for the better productivity and performance of employee’s.

Many researchers have been intended to find out the job satisfactions levels in several years. And it has the implicit belief both in academic and practice is that there is quite a strong relationship between job satisfaction and job performance, organization commitment, customer satisfaction, employee absenteeism and turnover in organization (Judge, Timothy A., et al., 2001) and the relationship runs from employee satisfaction sentiments to organizational effectiveness and efficiency outcomes(Cole & Cole, 2004). And Employee satisfaction may also be perceived as a ‘positive emotional state resulting from the appraisal of one’s job or job experiences’(Islam and Siengthai, 2009). It is one criterion for establishing the health of an organization; rendering effective services largely depends on the human source (Fitzgerald et al., 1994) and job satisfaction experienced by employees will affect the quality of service they render. A strong result on employees satisfaction were found that organization with more satisfied
employees tended to be effective than with a less one (cheri ostroff, 1992). So there is a
strong relationship between job satisfaction and employees performance. Zeithalm et al.
(1992) argued that employees who are not satisfied with their jobs will not deliver quality
services. In fact,(Hoffman and Ingram, 1992) elucidate job satisfaction as an antecedent
of customer-oriented behavior. A recent study across Europe indicates that there is a
strong positive correlation between job satisfaction and life satisfaction. So the study on
job satisfaction of employees is an important aspect for an organization’s success.

This paper aims at detecting and defining the relations between participative
management– being a consequence by allowing employees’ involvement in decision
making, participative strategic planning process and allowing employees to give
suggestions to their supervisor– and their impact on employees’ satisfaction with those
solutions. It is common to all that, participative management programs is joint decision
making, in which subordinates share a significant degree of decision-making power with
their immediate superiors (Robbins and Judge, 2017). This approach was defined early
in (Carey, 1937) as "consulting supervision", the process, where supervisors and
executives discuss with workers or their peers on activities affecting employees' wellbeing
or previous interest to establishing policies or initiating action.

Several researches has been done to find out the factors of job satisfaction (Islam et al.,
2012) as well some relationship between HR practice and job satisfaction in Bangladesh
context (Absar et al., 2010), (Mahmood, 2004)where participative management is one of
component of job satisfaction. These studies have been explored the impact of
participative management (a very popular HR practice) rigorously on job satisfaction.
Some researcher has find out this practice as one of tool of job satisfaction but no
empirical research has been done on this issues considering the lower to mid level
employees in private service organization of Bangladesh. Thus, the current study may
add some more value in the field of Human resource management practice in finding out
the job satisfaction level by evaluating firstly, manager’s participative management style
by allowing employees in decision making. Secondly, participative strategic planning
processes by allowing employees to participate or developing the strategic planning
process and lastly supervisory communications by allowing employees to give
suggestions to their supervisors. Even it can be beneficial to academics, business
executives as well as HR professional and policy makers. In most of the studies HRM
solution examined from a managerial perspective, this research paper examined in
employees’ perspective.

The paper has been organized in four sections. The first, presents a brief analysis of the
purpose and literature on participative management and job satisfaction which inspired
the authors’ research and explanatory variables to set the hypotheses. The second part
introduces a methodology applied, including: a research design. The third section
presents results of the study. The final part summarizes findings and discusses limitations
of the research as well as presents its future extension opportunities.
2. Literature Review & Hypothesis Formation

2.1 Participative Management & Job Satisfaction

Historically management theory has emphasized the coordination of human resources capital development to increase the productivity and efficiency on which the basic concept of the research has been developed. Participation can be defined as a process in which influences is shared among individuals who are otherwise hierarchical unequal (Locke and Schweiger, 1979, Wagner, 1994). This is the mental and emotional involvement of people in group situations that encourages them to contribute to group goals and share responsibility for them. (Bhuiyan, 2010). And participatory management practice balances the involvement of managers and their subordinates in information-processing, decision making, or problem-solving endeavors (Wagner, 1994).

Past studies showed that employee participation is positively related to performance, satisfaction and productivity of an employee (Pfeffer, 1994; Wagner, 1994 & Verma 1995). According to Cotton et al. (1988) conducted a study to examine the relationship between participative decision making and job satisfaction in where it has been stated that participative decision making could be helpful to employee’s mental health and job satisfaction. That’s why we can say that the field is quite broad and the perspectives quite different because “It is difficult to specify the attributes of organizations without asking who makes what kind of decisions, and what procedures are used to make them” (Dachler and Wilpert, 1978).

Studies of the participation–performance relationship have yielded mixed findings (Meinert, 2012). Research at the individual level indicates participation typically has only a modest influence on employee productivity, motivation, and job satisfaction. Even (Daniels, 1999) suggested that the impact of participative decision making on job satisfaction has not been consistent and it is not a sure means for improving performance. However, (Kim, 2002), (Ziaet al., 2010), suggested that there is a positive relationship between the participative management with the job satisfaction. So due to some arguable statement between the relationship, the first hypothesis has been described as:

H1a: Participative management style is positively related to higher job satisfaction level.
H1a0: Participative management style is not related to higher job satisfaction level.

2.2 Participative Strategic Planning Process and Job Satisfaction

Participative strategic planning process is another component of participative management process which can be defined as a process of participating in the decision making system of the organization, the budget process, goal setting, and departmental planning (Weimer and Jonas, 1995). Further (Bryson, 1988) defines strategic planning as “a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does.” Participation in strategic planning process motivates employees because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction and cooperation with management may also improve. It establishes better communication as people mutually discuss work
problems and work goals. Management shared information of the organization and this sharing of information allows employees to make better-quality suggestions (Keith and Davis, 2004).

According to (Bhuiyan, 2010) participation in decision making in industry results in satisfaction of employees and an increase in productivity and profit. It empowers the employer to achieve the organizational goal. His studies explores the relationship between participative management in the context of the strategic planning processes, participative management and effective supervisory communications and suggest that all of these can enhance employees’ job satisfaction. While (James, 2006) reported that while participation in workplace decision making may have positive effects on employees’ attitudes toward their work, it may have less impact on employee performance where as employee performance and job satisfaction is positively related in many studies. Thus it has been found little empirical evidence on the relationship between participating in strategic planning process and employees’ job satisfaction, the second hypothesis is examined in this study:

H2a: Participative strategic planning process is positively related to higher job satisfaction level.
H2a0: Participative strategic planning process is not related to higher job satisfaction level.

2.3 Supervisory Communication and Job Satisfaction

Supervisory communication has been determined as a strong factor in organizational environment and also in job satisfaction of employees. Several researches has been studied in finding out the factors of job satisfaction and among them relationship with co-workers and supervisor plays a vital role in satisfaction of employees within the organization. According to (Ibrahim et al., 2018) supervision is a determining factor to job satisfaction due to the fact that the relationship between supervisors and subordinates in the workplace is essential. Secondly, supervisory communication is imperative as it is important to influence subordinates’ job satisfaction. This study underlines the importance of supervisory communication towards job satisfaction and predicted that it will finally contribute to the future development of the industry.

For example, a study showed that 50 percent of the typical employee’s job satisfaction is determined by the quality of his/her relationship with the manager (Branham, 1997). When a supervisor provides mentoring, the relationship affects the protégés skill development and intentions to remain with the employer (McManus and Russell, 1997). On the other hand non-supervisory mentor may increase mentee’s confidence by providing access to outside organization (Scanduraa and Williams, 2004). Another interesting observation about supervisory communication is that it has been proven continuously that immediate supervisor is the favorite resource of information by subordinate (Bartlett, 2000). Supportive supervisors encourage subordinates to voice to voice their own concerns, provide positive and mainly informational feedback, and facilitate employees’ skill development (London et al., 1999).
Supervisory communication can be a factor to determine job satisfaction in an organization. Even though it is not clearly outlined in all of the assessment that can be used to assess job satisfaction, supervisory function serves as a big determining factor in job satisfaction due to the fact that the relationship between supervisor and subordinate in the workplace is the most outstanding aspect of working in an organization, so the third hypothesis examined in this study:

H3a: Effective communication with supervisor is positively related to higher job satisfaction level.
H3a0: Effective communication with supervisor is not related to higher job satisfaction level.

3. Data and Methodology

In this study, a formal research design was followed because this study required structured and précised way to show the relationship between different variables and to test hypotheses. The data collection method consisted of performing a face-to-face interview with the employees of myriad organizations in Bangladesh. The survey questionnaire was designed and distributed to target respondent randomly. In order to produce a realistic outcome for the research, the collation of data has to be distributed over a large population. The survey was conducted to the entire objective population, i.e. 312 different types of employees from different occupation level and from several firms. Each candidate was selected based on their duration in the company for at least 2 years.

According to our hypotheses, we have three independent variables and one dependent variable in our study. So a change in the independent variables will change the dependent variable. Therefore, to investigate the research questions and test the hypothesis a Causal study was executed. This study focuses on analyzing the factors responsible for job satisfaction among employees. This study also explains the structure of a relationship between independent and dependent variables. For this reason, this study can be considered as Causal or Explanatory research. Explanatory research indicates a relationship between variables as well as the direction of the relationship. For this research, random sampling method was used. According to Teddlie and Yu (2007), Random sampling occurs when each sampling unit in a clearly defined population has an equal chance of being included in the sample. In this study, Dhaka city (Capital city) was selected as population and respondents were selected on a Random sampling method. Respondents from several firms were approached in different parts of Dhaka city with the questionnaire and information was collected on the spot. Table 1 shows the occupation level of all the respondents within their respective organizations. The data collection procedure took place from the month of February to March 2019.
A closed questionnaire consisting of total 14 items was designed to collect feedback from the respondents. Appendix 1 renders an explanation of the items. For a better understanding of the participants, the questionnaire was also translated into native language (Bengali). If any interviewee had difficulties understanding any question, it was resolved promptly and politely. In total, 312 respondents were approached in the survey and 290 responses were collected and used for analysis. The response ratio was almost 93 percent. Nevertheless, it was necessary to eliminate 22 questionnaires from the sample for not having been correctly filled in or because they were incomplete for statistical analysis. The questionnaires were distributed by personally approaching the respondents in their offices.

4. Results

4.1 Descriptive Statistics

A total of 290 respondents were used in the analysis and 71.4% (207 participants) comprised of male respondents and 28.6% (83 participants) comprised of female respondents. Of the respondents who participated in the survey, 183 respondents (124 male, 59 female) were in the age range of 21 to 35 years; 78 respondents (60 male, 18 female) were in the age range of 26 to 50 years; 29 respondents (23 male, 6 female) were in the age range of 51 to 65 years.

4.2 Reliability Analysis

All accumulated data were analyzed using statistical software SPSS, version 21. Reliability findings (Cronbach’s Alpha) of the multiple items were performed to measure the internal consistency. According to George (2003), reliability coefficient of 0.7 is acceptable, more than 0.8 is good and more than 0.9 is considered excellent. Table 2 shows that all constructs met the reliability test. Two of the variables have Alpha value in “good” range and rests are in “acceptable” range.
### Table 2: Reliability Analysis

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Number of</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager’s use of a participative management style</td>
<td>4</td>
<td>0.834</td>
</tr>
<tr>
<td>Participative strategic planning process</td>
<td>3</td>
<td>0.763</td>
</tr>
<tr>
<td>Supervisory communications</td>
<td>3</td>
<td>0.789</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>4</td>
<td>0.788</td>
</tr>
</tbody>
</table>

### 4.3 Regression Analysis

Y = α + β1 (Manager's use of a participative management style) + β2 (Participative strategic planning process) + β3 (Supervisory communications)

Y = - 0.176 + 0.214 + 0.276 + 0.316

Here Y is the employees’ job satisfaction, and α, the constant.

The results in Table 3 show that the combination of Manager's use of a participative management style, Participative strategic planning process and Supervisory communications together contributed to 62.8% effect on Employees’ Job Satisfaction. The R² for the overall study on the three predictors suggests that there is a powerful effect of all three independent variables on Employees’ Job Satisfaction. From the table, it can be concluded that all three independent variables have a significant effect on Dependent variable (p-value = 0.000). By analyzing the Beta values, it can be observed that Participative management style is the most influential for Employees’ job satisfaction with 31.6% whereas Participative strategic planning process and Supervisory communications stands 21.9 % and 23.8% respectively.

### Table 3: Multiple Regression Analysis Results

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t-Value</th>
<th>Significance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participative management</td>
<td>0.214</td>
<td>0.316</td>
<td>4.173</td>
<td>0.000**</td>
<td>4.217</td>
</tr>
<tr>
<td>Participative strategic</td>
<td>0.276</td>
<td>0.219</td>
<td>6.046</td>
<td>0.000**</td>
<td>3.081</td>
</tr>
<tr>
<td>Supervisory communications</td>
<td>0.316</td>
<td>0.238</td>
<td>7.026</td>
<td>0.000**</td>
<td>4.769</td>
</tr>
<tr>
<td>Other Values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.628</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.615</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.762</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** **. Significant at 5 percent level
Most researchers have suggested checking for multicollinearity among explanatory variables before applying Regression analysis. Multicollinearity or collinearity is the situation where two or more independent variables are highly correlated and can have damaging effects on the results of multiple regressions (Haitovsky, 1969). The suggested rule of thumb is that, if the pair-wise or zero-order correlation coefficient between two regressors is high, in excess of 0.8, then multicollinearity is a serious problem (Gujarati, 2009). The solution is to drop that variable and thereafter run the regression analysis with rest of the variables. Another way to check the multicollinearity is to compute the average variance inflation factor (VIF). Conversely, if the average VIF of a variable exceeds 10 which will happen if correlation coefficient exceeds 0.80, then that variable is said to be highly collinear (Gujarati and Porter, 1999). In accordance with the aforementioned rule of thumb, VIF value for all the variables does not exceed 10. Therefore, we can conclude that data are free from the problem of multicollinearity. Moreover, to test the assumption of independent errors (autocorrelation), the Durbin-Watson statistic was used. The value of this statistic between 2 or close to 2 is considered as better and Table 3 indicates the value is 1.762, which is very close to 2 (Gujarati and Porter, 1999). Therefore, it can be said that the model is valid and reliable.

### Table 4: Analysis of Variance (ANOVA) Results

<table>
<thead>
<tr>
<th>Sources of Variation</th>
<th>df</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4</td>
<td>72.903</td>
<td>0.000**</td>
</tr>
<tr>
<td>Residual</td>
<td>202</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>206</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analysis of variance (ANOVA) assesses the overall significance of the model (Hoaglin & Welsch, 1978). Table 4 shows that the model is significant as $P$ value is <0.05. Table 4 also shows that all the independent variables have a positive impact on employees' job satisfaction. The coefficients of these variables are positive and significant at 5 percent level of significance, hence rejecting H1a0, H2a0, and H3a0.

### 5. Discussion and Conclusion

Bangladesh is having world’s eighth-largest population, on top of this over the past decade; Bangladesh’s economy has been growing at an annual rate of 6 to 8 percent. Moreover, Bangladesh also has a young and growing working-age population—the median age in the country is 24—that will provide a strong base for rising consumption in the coming decades. Bangladesh’s current middle and affluent population, estimated to be around 12 million, is still small by Asian standards. If Bangladesh can maintain this pace, its middle and affluent population will grow by 65 percent over the next five years. By 2025, it is expected to nearly triple, to about 34 million. Bangladesh’s strong and stable growth is fueling tremendous upward mobility due to this nature of its middle income population growth. In connection to this growing middle income population country will have a huge potential work force which will be a positive factor towards attracting world with multiple layers of skilled work force. We have seen this trend in early eighties when growth of skilled leaders of India stands a bench mark for many other countries. Currently Google, Adobe and Pepsico is running with indian CEO which is the result of Indians
strategy of developing leaders in early eighties covering their median age population groups growth. In connection to our growing median age population it is evident that maximum portion of this population will be skilled and will aspire to have better career. This skilled population can be a great resource by practicing good management style and ensure their participation in decision making towards developing them as leader. Covering this growth potential ensuring good management style and engaging resources in decision making will lead us developing a great resource pool for the country towards creating future CEO’s around the world. Private sectors growth is the major important factors in this humongous future opportunity. Private sectors are in need of leader which can be easily developed through participative management style as this will help people to make good and timely decision to drive business.

This study examined the relationship between participative management and job satisfaction in private organization of Bangladesh. The research also extended its investigation by examining the relationship of participative management and job satisfaction in the context of participating in strategic planning process and the role of effective communication with supervisor. It is evident from the research and past different case study reflection in different private sectors that there is a positive relationship between participative management and employees’ job satisfaction. The results of multiple regression analysis show that managers’ use of a participative management style and employees’ perceptions of participative strategic planning processes are positively associated with high levels of job satisfaction. This study also finds that effective managerial communications in the context of the strategic is planning & decision making process are positively associated with high levels of job satisfaction. Study suggests that participative management that incorporates effective managerial communications can enhance employees’ job satisfaction. In this regard, organizational leaders in the private sector should emphasize changing organizational culture from the conventional pattern of hierarchical structure to participative management and empowerment. Bangladesh is a country where people are driven by emotion in major cases irrespective of employment segment. In connection to this emotional factor participative management is directly connected with employee satisfaction lead by performance of the employee and organization. Through participative management style leader can bring out the best among a regular employees lead by creating successor towards sustainable business growth. In a cognitive approach towards better employee satisfaction one of the leading driving factors is employee satisfaction which will lead the organization to establish sustainable leadership in all segments linking sustainable growth with best decision making by practicing participative leadership. Countries private sectors scarcity in mid & top level leadership can be easily managed by using this management style & as well this will help us to export leaders among different parts of the world by effectively practicing participative management.

At the end of a rigorous research work it is proven that employee job satisfaction and his performance in private sector is directly link with the environment or culture of leadership he is working. Ideal leadership style is one that takes the input of others into account. These leaders encourage participation and contributions from group members and help group members feel more relevant and committed to the decision-making process. Basically people are more committed to actions where they have involved in the relevant
decision-making. People are less competitive and more collaborative when they are working on joint goals. When people make decisions together, the social commitment to one another is greater and thus increases their commitment to the decision. People deciding together make better decisions than one person alone. In the Participative management style, it will be ensured engagement of employees in decision making or management practices. This management style makes people engaged emotionally and professionally as they will own the work and drive the organization's goal of reaching high performance. Covering the country situation of highly growing median population, private sectors are the main segment where we will be in need of skilled workers leading towards future leaders. Private Sectors of Bangladesh should start practicing participative leadership to engage the highly potential median age population towards driving the private sectors as main contributor in growing economy becoming a developed country in the soonest possible time. The findings from this research will be beneficiaries to the management of the organization as well as human resource specialist. It is a preliminary work considering the employees’ perspective and results from this study suggest some future research. So, further study may include investigating the mediating role of personality traits and other demographic variables (such as age, experience, qualification) in leadership style and job satisfaction relationship. Future research may encompass both Public and Private sectors of Bangladesh. In Conclusion, the study shows how participative management, participative strategic planning process and effective supervisory communication affect Job satisfaction between employees and managers. The study suggests managers to use participative management style and evolve the organizational culture towards participative from the traditional patterns.

References


Akhter, Saha & Mahfuz


Akhter, Saha & Mahfuz


