

**FACTORS INFLUENCING IMPLEMENTATION OF PARTICIPATIVE
PLANNING AND MANAGEMENT STRATEGIES IN FINANCIAL
INSTITUTIONS: A CASE OF NATIONAL BANK OF KENYA**

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**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT
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DECLARATION


This research project is my original work and has not been presented to any institution of higher learning for the award of Diploma or Degree.

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DEDICATION

This work is dedicated to my family. To my late Dad, Sebastian Mwilaria, may God rest his soul in eternal peace. My Mum, Roselane who has been a great source of inspiration and hope in many facets of my life. To my siblings Jim, Denis and Eric. Thanks a lot for your presence in my life.

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ABSTRACT

The purpose of this study was to analyze the factors that influence implementation of participative planning and management practices in an organization. The site of the study was National Bank of Kenya Ltd. The objectives of the study were to find out how participative planning and management enhances employees morale, promotes coordination at the work place, provides a basis for decentralization of authority, and establish to what extent control facilitates participatory planning and management in organizations. The study used a descriptive survey design which helped to gather information about the present existing condition. The target population was 300 employees in the six divisions of National Bank of Kenya headquarters. A sample size of 85 respondents which composed employees and managers was selected using a stratified random sampling technique.. Questionnaires were used to collect the required data. A pilot study was carried out with eight members of staff of National Bank of Kenya at Embu Branch to establish the validity and reliability of the research instruments. The questionnaires were collected after which the data was analyzed and descriptive statistics such as mean and percentages were generated and presented in form of tables.

The study findings revealed that 95% of the employees were involved in the management of NBK at operational level. The findings further revealed that 84% of employee suggestions are forwarded to the top management for action and mostly their line manager for actions. A majority of employees of 70% have ever experienced the bank face setbacks of closure of bank branches. The study findings revealed that there was training on participatory planning and management though the bank lacks a department in charge of reviewing and harmonizing conflicting interests in participative planning and management

It also emerged that 69% of the managers engage and normally involve employees in planning on performance planning and community work under the social and corporate responsibility. A majority of 60% that and morale and productivity are moderately enhanced with their in participation in planning, 74% of the managers understudy were in agreement that there is a relationship between participative planning and coordination. That participative planning and management does not foster decentralization process at National bank of Kenya. On participative planning and controls in an organization it was highly regarded because it enhances ownership,

promotes discipline, enhances cohesiveness and promotes team work among the staff members and management, promotes understanding, enhances bonding between the employer and employee and brings forth consensus leading to smooth running of the organization.

There is impact attached to participative planning and effective control at National Bank of Kenya. This was noted to devolve decision making to staff level creating harmony with managers, motivates employees to work with minimum supervision as well as promotes a balance between employee's private life and work environment. The respondents further noted that though participative planning takes time in decision making it provides democratic space where employees give their diverse contributions in opinions.

Based on study findings it is recommended that there is need for delegation in which employees work on projects or tasks with considerable responsibility being delegated to them. To have suggestion schemes for new ideas where employees are given channels whereby they can suggest new ideas to managers within the organization. To have Consultative forum meetings whereby employees are encouraged to share ideas. Promote multi-channel decision making processes whereby decisions are not only made in a downward direction, they also result from communications upwards, sideways, and in many other directions within the organization.

More studies to be carried on employee motivation and impact organizational growth and performance and secondly on the impact of on job training of employee and organization performance.

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ACRONYMS AND ABBREVIATIONS

ASAL: Arid and Semi-Arid Areas

ASTD: American Society for Training and Development

CIP: Community Infrastructure Planning

CSP: Community Settlement Planning

GOK: Government of Kenya

IRDPs: Integrated Rural Development Programmes

DATSIP: Department of Aboriginal and Torres Strait Islander Policy

EPOC: Employee Direct Participation in Organizational Change

HPWOs: High Performance Work Organizations

HPWPs: High Performance Work Practices

HIWPs: High Involvement Work Practices

MEPD: Ministry of Economic Planning and Development

MIDP: Machakos Integrated Development Programme

MOPND: Ministry of Planning and National Development

NBK: National Bank of Kenya

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This study was concerned with the concept of participatory planning and management as practiced in organizations with a specific bias in financial institutions whereby a multi-level approach within the rank and file is employed to enhance organizational performance. Participatory planning and management in this context has made extensive use of high performance working practices (HPWPs) and high involvement work practices (HIWPs) in employee retention and firm productivity. These two significant terms will be used extensively and interchangeably in this discourse to demonstrate the application of participatory tools at the global, regional and national levels.

The competitive success of Japanese companies in the 1970s brought American attention to their use of group-work, team-consciousness, quality circles, and decision-emerging process, and the central role of consultation and participation (Beer, Michael, Russell and Bert 1990). U.S. companies implemented participative management strategies such as quality circles and production teams in an effort to meet the Japanese economic challenge and incidentally, to address local social demands. Collaborative problem solving groups of workers organized in committees or teams were heralded as a superior method for addressing problems of coordination within complex organizations, permitting more rapid diagnosis and resolution of production problems affecting quality and productivity (Kelley 2000). As it became evident that imitating the Japanese organizational design and managerial strategies did not yield similar results, U.S. firms and researchers gradually realized that employee involvement and participative management needed to be designed as a complete organizational model rather than as piecemeal modifications to traditional practices (Lawler et al. 2001; Case 1998). A growing consensus was building in the academic business literature that U.S. firms needed to fully embrace participatory work strategies if they were to regain economic prominence in the global economy because it provided the best way to create the necessary flexibility and worker commitment (Markowitz, 1996).

In the United States, there is a widespread philosophical belief that people have a right to be involved in making decisions that affect their lives. This is matched by a belief that people who are involved in making decisions have a greater stake in carrying out those decisions than those who are not involved (Bloom, 2000;5).

One of the pioneers in collecting data in this field has been the American Society for Training and Development (ASTD) which has been exploring the use of HPWPs in the United States for some time. In 1996, its publication Training trends reported that the use of team-based work structures and alternative compensation systems rose dramatically between 1990 and 1993 among the Fortune 1000 companies. The use of self-managed work teams rose from 47 per cent to 68 per cent and the use of team or group compensation from 59 per cent to 70 per cent. In 1997, the ASTD joined forces with other partners and the US Department of Labor to launch the Human Performances Practices Survey of 542 organizations. This was a postal questionnaire sent to 9,815 companies which achieved a response rate of 3.5 per cent. Of these, the ASTD identified 32 companies as “leading edge” in that they make extensive use of HPWPs, namely self-directed work teams, employee involvement and employee access to key business information. Nevertheless, this does suggest that HPWPs are now becoming embedded in US organizations.

At the European level, the results of the EPOC (Employee Direct Participation in Organizational Change) survey enable us to start to identify how many organizations have moved in the direction of HPWOs. This was a nationally representative questionnaire survey conducted in ten European countries including the United Kingdom. The results of further analysis, together with other comparable data, are reported in the 1999 OECD Employment Outlook. The authors of that analysis found that, on average, 15 per cent of European managers report initiatives undertaken in the last three years in favour of the introduction or extension of job rotation, 27 per cent report the introduction or extension of team working, 33 per cent report greater involvement of lower-level staff and 29 per cent the flattening of management structures.

Ashton and Felstead (2000) argue that something in the region of 20 per cent of UK organizations can be meaningfully labeled HPWOs. This is very much in line with the recent analysis by Wood et al. of the UK Workforce Employee Relations Survey data set, the largest available, which suggests that 24.2 per cent can be meaningfully labeled as HPWOs or in the words of the authors as having full, high involvement practices, while 49.4 per cent have partial high involvement practices and 26.3 have minimal high involvement management practices.

There are a number of other studies of aspects of HPWPs in different countries. In Taiwan, China, Tung-Chang Huang reports the results of a survey of 308 enterprises which found that HPWPs associated with participative forms of management have an impact on employees' performance in terms of labour turnover and absenteeism rates, while quality control (QC) circles and profit sharing are found to be related to profit and revenue growth. In New Zealand, Guthrie reports the results of a survey of 190 firms which revealed a positive association between the use of high involvement practices and employee retention and firm productivity. In Singapore, Barnard and Rogers in a survey of 105 firms found that the use of employee development practices such as extensive training, performance appraisals, and a strong corporate culture are positively related to high performance work systems (e.g. team-based systems, quality control circles, self-direction at work, employee involvement and the free flow of communication between levels within the organization).

While these surveys cannot provide data on the precise proportions of companies which have adopted HPWPs, they nevertheless provide evidence of these practices within these countries

In Africa, there has been an increase in emphasis on an inclusive approach to corporate governance as opposed to an exclusive approach. In the King II Report on Corporate governance for South African business published in 2002, an inclusive approach to corporate governance was recommended; where "stakeholders such as the community in which the company operates, its customers, its employees, and its suppliers among others need to be considered when developing the strategy of a company.

In Kenya, the Kenya Commercial Bank (KCB) in their 2007 sustainability report describe stakeholder “as any group or individual affected by KCB’s operations or that has the capacity to influence our operations or future prospects”. In the same report, they have identified their stakeholders and several engagement approaches that they have used to engage them. The link of stakeholder engagement and sustainability is evident.

1.2 Statement of the Research Problem

There have been obstacles in the endeavor of implementing a participatory approach in addressing the emerging and unique challenges that bedevil businesses in today’s modern world economic environment. Practicing participative planning and management in organizations has never been an easy task. Managers who hold Human relation theory of participation believe simply in involvement for the sake of involvement, arguing that as long as subordinates feel that they are participating and are consulted, their ego needs will be satisfied and they will be more cooperative (Richie and Miles, 1970). Most managers prefer to keep a distance between them and their staff. They fear such frequent sharing of ideas and consultations may compromise decisions that may be considered as executive. After all, their inefficiencies may easily be criticized and noted easily by the ordinary employees. Only few organizations therefore practice participative planning and management, by incorporating their staff.

Barnard (1938) and Simon (1947) have provided a language for the identification and analysis of conditions under which an organization can induce persons to participate in its activities. Called the inducements-contributions theory, it views each member or participant in the organization as receiving inducements for his participation (which in the case of employees may include pay, recognition, prestige) and as making payments or contributions to the organization (including the ‘cost’ to him of his effort and of lost opportunities stemming from his participation in the organization).The individual’s decision to participate in the system is determined by the relative magnitude of inducements and contributions when both are measured in terms of the participant’s values or motives.

There is considerable evidence that these same work role variables are negatively related to objective indicators of the decision not to participate in the organization, such as absences and turnover. Ross and Zander (1957) and Wickert (1951) found that people who reported that they had little influence on decision making had a higher probability of resigning from the organization than those who reported greater influence.

Kerr, Koppelman and Sullivan (1951) found the highest turnover among persons with the least opportunity for informal interaction; Elliot (1953), Guest (1957) and Walker (1950) reported increased job satisfaction following job enlargement; Morse and Reimer (1956) reported more favorable worker attitudes following an increase in their influence in decision making and less favorable attitudes following increased hierarchical control; and Meyer, Kay and French (1965) reported more favorable attitudes towards management and towards the appraisal system on the part of employees, as a consequence of the introduction of a work planning and review system which provided a greater opportunity for subordinates to participate in problem solving and in the setting of performance goals. Despite its infrequent application and reluctance by most managers to embrace participative planning and management approach, it is known to possess numerous benefits to all the stakeholders. It provides unified planning and consistency in decision – making. If all workers are to be pulling in the same direction, they need to be aware of the key objectives. Managers have to recognize the validity of the argument that the individual employee needs representation to help balance the inequality of power with the employer. The views of employees are vital to the success of changes in work of the organization hence participatory planning process should try to focus on those issues which can be solved with the available resources and gain the confidence of the stakeholders. Therefore, the key factor for successful participatory planning is to build a relationship of mutual trust and then start the planning process. Concurring with Robbins (2005), participative management is not a magic cure for all that ails in an organization. Managers should carefully weigh the pros and the cons before implementing this style of management. Managers must realize that changes will not take effect overnight and will require consistency and patience before employees begin to see that the management is serious about employee involvement. Participative management is probably the most

difficult style of management to practice. It is challenging not only for managers but for employees as well. While it is important that management allows employees to participate in decision making and encourage involvement in the organization's direction, managers must be cognizant of the potential for employees to spend more time formulating suggestions and less time completing their work. Upper-level management will not support a participative management program if they believe employees are not meeting their daily or weekly goals. Some suggestions for overcoming this potential problem are to set aside a particular time each week for workers to meet with management in order to share their ideas or to allow them to work on their ideas during less busy times of the day or week. Another idea that works for some managers is to allow employees to set up individual appointments to discuss or make suggestions. Organizations need to devise and embrace emerging relevant management tools that seek to serve the interests of all concerned stakeholders. A consultative and iterative approach is of necessity to survive through these economic turbulent times.

The Experiment Change of a Major Organization Variable is one in a series of studies of social behavior in large-scale organizations undertaken by the Human Relations PROGRAM of the Survey Research Center. Its primary aim is to investigate the relationship between the allocation of decision-making processes in a large hierarchical organization and (a) the individual satisfactions of the members of the organization, (b) the productivity of to the organization. The survival, growth and advancement of a business may be impacted favorably or otherwise by the manner in which it balances the management tools and techniques available and the challenges of involving the human capital at its disposal. This study therefore investigated the factors influencing the implementation of participative planning and management in financial institutions.

1.3 Purpose of the study

The purpose of this study was to determine the factors influencing implementation of participative planning and management strategies in financial institutions with a specific focus on NBK.

1.4 Objectives of the Study

The objectives of this study are

- (i) To examine how employee morale influences implementation of participative planning and management.
- (ii) To examine whether co-ordination affects implementation of participative planning and management.
- (iii) To explore the influence of decentralization of authority on implementation of participative planning and management.
- (iv) To establish extent to which controls influence implementation of participatory planning and management in organizations.

1.5 Research Questions

The following are the research questions of this study:

- i. To what extent does employee's morale influence participative planning and management?
- ii. How does organization coordination influence participatory planning and management?
- iii. How does mechanism for decentralization of authority in an organization affect participatory planning and management?
- iv. To what extent do control measures influence participatory planning and management in an organization?

1.6 Significance of the Study

This study stands to benefit numerous stakeholders in the field of business and management. The management of National Bank of Kenya in particular will have a firsthand situational report on the current practices whereby institutional and operational bottlenecks will be exposed so as to embrace the industry best practices to enhance competitiveness in the face of hard economic times. Industry players are also in a position to take advantage of the findings and recommendations of this report. Stakeholders in the broader realms of other sectors can gain from the findings and recommendations made by the researcher to promote a trend and culture of involvement and inclusiveness in undertaking socio-economic activities in Kenya and beyond.

1.7 The Justification of the Study

One of the leading challenges in management has been implementing effective human development strategies to enhance organizational performance and accountability. As a result of the emphasis on performance, researchers in human resource management have stressed effective human resources strategies such as job satisfaction, team empowerment, participative management, and strategic planning.

1.8 Limitations of the Study

The concept of participative planning and management is a relatively new concept and as such insufficient work has been done in this area in many organizations in the Kenyan context. Therefore there is limited data availability. The researcher thus had to use other sources of data from other countries to supplement the limited data available. Also this study was confined to one sector of the economy thus ignoring the experience of other sectors.

1.9 Delimitation of the study

The delimitations of this study was that its scope under the financial institutions narrowed to National Bank of Kenya headquarters in Nairobi. The population under study was accessible since they were housed in one roof and clearly understood the concept of participative planning and management in their bank.

1.10 Assumptions of the Study

The assumption of the study was that the respondents would be honest to provide the necessary information sought. Also it was assumed that the research questions will be well understood.

1.11 Definition of Significant Terms

Control- Device or mechanism installed or instituted to guide or regulate the activities or operation of an apparatus, machine, person, or system.

Coordination - Synchronization and integration of activities, responsibilities, and command and control structures to ensure that the resources are used most efficiently in pursuit of the specified objectives.

Decentralization- Transfer of decision making power and assignment of accountability and responsibility for results.

Development- The act of advancing, or the state of being advanced or progression

Employee - Individual who works part time or full time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties.

Employer - Legal entity that controls and directs a servant or worker under an implied contract of employment and pays (or is obligated to pay) him or her salary or wages in compensation

Planning - The process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals

Motivation- Internal and external factors that stimulate desire and energy in people to be continually interested in and committed to a job or role.

Morale- Psychological state of a person as expressed in self-confidence, enthusiasm, and/or loyalty to a cause or organization.

Teamwork- The process of working collaboratively with a group of people, in order to achieve a goal.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of related literature, critical review of the study and the conceptual framework. The importance of this chapter under literature review is to identify gaps in the literature, to review the field of participatory planning in order to build on the platform of existing knowledge and ideas and to increase the breadth of knowledge of participatory planning subject area by other scholars.

2.1.1 Theoretical Literature on Participatory Management

Employee participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal (Locke and Schweiger, 1979; Wagner, 1994). Participatory management practice balances the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors (Wager, 1994).

Coch and French (1949) are considered to be the pioneers in studying employee participation in the workplace. They developed the productivity and efficiency rationale, assuming that there is a direct link between employees' involvement in decision-making and work outcomes such as the increase of job satisfaction and productivity. Participation in decision-making can satisfy employees' self-actualization needs and, by doing so, increase employees' motivation and job performance (Likert, 1961). These early theoretical contribution on participation were not taken seriously until the mid-1980s when major works such as Lawler (1986) started to emerge and make some significant impact on both academic and business circles.

Saleemi (2008) notes that 'planning' in organizations is both the organizational process of creating and maintaining a plan; and the psychological process of thinking about the activities required to create a desired goal on some scale. As such, it is fundamental property of intelligent behaviour.

Participatory planning involves conducting planning with the involvement of a number of people. Participative (or participatory) management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions. Employees are invited to share in the decision-making process of the firm by participating in activities such as setting goals, determining work schedules, and making suggestions. Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles, or quality-of-work-life committees; and soliciting survey feedback. Participative management, however, involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration and respect. The most extensive form of participative management is direct employee ownership of a company. Participative management addresses the relationship between the organization and its workers and stakeholders. It addresses fundamental issues of governance within organizations and the role of employees and external stakeholders in all levels of organizational decision making. In addition to philosophical issues of governance and the appropriate relationship between workers and their employers, the literature on participative management can help managers dealing with the fundamental challenges facing public science managers in today's dynamic and competitive environment: maintaining high levels of effectiveness, productivity, innovativeness, and worker motivation in an increasingly dynamic, competitive environment. Participative management is recognized as particularly pertinent to organizations dealing with complex, knowledge-based problems. Extensive research conducted as early as the 1950s and 1960s demonstrated that participative management is particularly well suited to science-based organizations whose key staff are noted for their creativity, intrinsic motivation for work that interests them, stronger affiliation with their discipline than their organization, and sensitivity to directive management (Likert 1969; Marcson 1960; Siepert 1964; Macy 1965; Steele 1969). The interdependence of scientific research, and hence of scientific organizations, requires participation at multiple levels. New requirements to involve external stakeholders in policy-setting and planning decisions

and to address concerns about the public acceptability of research programs place additional demands on the skills and capabilities of both managers and staff. Since its origins with Elton Mayo's *The Human Problems of a Industrial Civilization* (1933) and Kurt Lewin's "Frontiers in Group Dynamics" (1947), a large and diverse literature has been assembled on participative management, which includes employee involvement, industrial democracy, and stakeholder involvement. Interest in participative management has been persistent during this period, with periodic surges corresponding to the social, political, and economic issues of chronically low productivity in the 1960s and 1970s, and international challenges to U.S industry and product quality in the 1980s and 1990s when worker motivation, productivity and innovativeness became priority issues. Recently, the focus has been on the relationship between participative management and the newer, organic and networked organizational forms, dramatically improved information and communication technology, and greater citizen involvement in organizational decision making. The literature reflects a growing recognition among U.S. academics and managers that a high productivity/high wage economy requires new labor-management relationships, including ways to share gains and organize work that more fully develop and utilize the skills, knowledge, and motivation of the workforce (Commission on the Future of Worker-Management Relations 1995:38). Indeed, participative management is increasingly seen as a feasible system of governance for these organizations (Lawler 1996).

The literature reflects a wide and diverse research orientation. Social philosophy and organizational theory, human development, management practices, small-group processes, and leadership perspectives are all represented. It is enriched with a significant comparative component: interest in participative management and industrial democracy has also been high in Europe and Scandinavian countries. This provides a useful check on the ethnocentrism that can occur when the entire literature shares a similar cultural or geopolitical context. Unlike many aspects of the organizational effectiveness and management literature, both public and private sector organizations have been subject to investigation regarding participative management and employee involvement, and there have been some instructive time-series studies on the extent of

adoption and the organizational consequences of participative management practices (Lawler et al. 1986, 1992, 1998, 2001). In addition, there is a strong body of research on the relationships among aspects of organizational design, management practices, and worker characteristics pertinent to participative management and employee involvement.

In keeping with the general problem-driven nature of the organizational effectiveness literature as a whole, the literature on participative management has tended to focus on production-oriented or service-providing organizations where issues of worker motivation and satisfaction, product and service quality and productivity were most acute. However, research on the management of science has included attention to the pertinence of participative management for both public and private research organizations. The literature on external stakeholder or citizen participation, which has also included some specific attention to science-based organizations, is essentially separate from that on participative management and employee involvement.

The literature on participative management and employee involvement addresses the interactive relationship between the broader socio-political system and the workplace, in both empirical and philosophical or normative terms, and then tiers that examination down to look at the relationships between organizational design, managerial approach, workplace conditions, job design, pay systems, worker and manager characteristics, organizational performance, and worker and manager motivation and satisfaction. As a consequence, the literature spans discussions of social theory, organizational theory, human relations and organizational psychology, and management strategies and approach. It draws upon a variety of theoretical frameworks and models about the purposes and mechanisms for achieving participation and the impact of participation on the organization and its members.

A key factor in the interest in participative management was the realization, which really struck home during the 1980s, that management practices – superior quality management systems, better employee relations, integrated design and production teams – could provide critical competitive advantages to public and private sector organizations (Lawler

1996). During this same period, heightened issues about the societal accountability of organizations also occupied management attention (Collins 1997). As a result, since the 1980s there has been substantial expansion in the number and variety of employee participation efforts and initiatives and the number of organizations employing participative management strategies, although these practices still remain only partially diffused through the economy (Commission on the Future of Worker-Management Relations 1995).

Underlying the entire discussion of participative management and employee and stakeholder involvement is the dominance of the bureaucratic, hierarchical organization model and management approach commonly referred to as Taylorism (based on Frederick Winslow Taylor's 1911 classic *The Principles of Scientific Management*) or Fordism (based on the principles developed by Henry Ford). However, the pre-eminence of the bureaucratic, hierarchical organization model and traditional management practices is facing increased challenge (Lawler et al. 2001). In the early literature, participative management strategies and employee and stakeholder involvement were approached as modifications of or supplements to the traditional bureaucratic, hierarchical model, undertaken to achieve particular goals or address particular problems. Recently, however, participative management has been discussed as a comprehensive governance system that could, and is, replacing the traditional bureaucratic hierarchical system for the new, organic, networked organizational forms emerging in the late 1990s. Conversion into a participative organization is seen as a way for an organization to build key capabilities essential for success in the complicated and dynamic contemporary organizational environment (McLagan and Nel 1995; Bartlett and Ghoshal 1991; Case 1998).

In addition, Ackoff (1999) asserts that employees at all levels, but particularly those in the lower half of U.S. organizations, have become increasingly disturbed by the inconsistency of living in a society "dedicated to the pursuit of democracy but management is widely perceived as an attribute of socially responsible companies (Collins 1996), with participation in decision making at the workplace seen as central to the democratic visions and basic to the good society (Greenberg 1986).

These core values are reflected in five different perspectives on the purpose and rationale for worker participation in organizations (Bolle de Bal (1992a:603-610): The Managerial Approach, which is inspired by productivity and efficiency goals (participation is organized at a lower level in order to relieve worker dissatisfaction and morale problems). This approach reflects the emerging viewpoint that organizational design and management effectiveness can provide a significant competitive advantage. It gives considerable attention to issues of organizational design and organizational change, on the basis that entirely new work structures and ways of organizing work can lead to substantial gains in effectiveness (Lawler et al. 2001). A key issue in this approach is the extent to which management delegates or retains the power to initiate, frame, and terminate participative processes. It also reflects management's view that the direct participation of workers undermines union power. The Humanist Psychology Approach, which is inspired by human growth and development goals, (participation as a way to enhance the well-being of the individual by promoting individual creativity, self-esteem, and ego strength). This approach reflects the movement led by Elton Mayo, and followed by the work of Argyris (1957); Likert (1961); McGregor (1960); Mohrman and Lawler (1985); Cassar (1999); Massarik 1983; and Sagie (1997). It reflects a much more positive view of human nature and emphasizes the need to retrain managers to develop their participative view of human nature and emphasizes the need to retrain managers to develop their participative leadership skills and unlearn authoritarian behaviors. It acknowledges the societal function of the workplace and the benefit of participatory restructuring of the workplace, given the central role it plays in the lives of most ordinary people (Pateman 1970). The Industrial Relations Approach, which is inspired by democratic goals (participation is not only a means to an end in itself but also a way to create a strongly democratic society, characterized by active participative citizens). This approach reflects the importance of the external environment to the organization (not highly recognized in organic, open-system designs). Participation in the workplace is seen as contributing to an effective and just society. The workplace is seen as a point of leverage from which to achieve a more egalitarian redistribution of power, leading to a greater democratization of the entire political process (Emery and Thorsrud 1969;

Bachrach and Botwinick 1992; Pateman 1970; Matejko 1986). The Political Approach, which is inspired by revolutionary goals (participation as a means to change the overall structure of ownership to a collective base and to educate workers to class consciousness). The role of organized labor is addressed in this approach, with Bachrach and Botwinick (1992) noting that worker participation in postwar U.S. is substantially less developed and widespread than in Europe, a factor attributed to the weakness of the trade union movement in the U.S. and the absence of enabling legislation such as is present in Europe. Advancement toward greater worker participation is seen as very dependent upon a strong labor movement. The Psycho-Sociological or Anthropological Approach, which is inspired by synthetic, multidimensional goals (participation as a way of acculturation, of pushing workers to internalize the economic norms of the organization) and emphasizes the fundamental aspects of human nature and how to get the best out of workers. It emphasizes the fundamental social interactions in the workplace and the role of participation in addressing issues of resistance, motivation and engagement (Lewin 1947; Coch and French 1949; Bolle De Bal 1992a and b). This approach draws a clear contrast with traditional Taylorian and bureaucratic models, which attempts to exclude subjectivity and creativity. In this approach, subjectivity and creativity are integrated into the enterprise culture.

It should be noted that not everyone subscribes to this positive view of participatory democracy or to the benefits of direct participation in the workplace. Unions, for example, argue that participative processes are actually detrimental to the welfare of workers, enabling management to capture the knowledge of workers and circumvent the protections provided by collective representation (Fantasia et al. 1988; Bolle de Bal (1992b), reflecting the generally more critical European perspective, notes that participation in the workplace has features that are not uniformly positive for all interest groups.

As literature on participative management and employee involvement accumulated, a wide range of benefits was elaborated, and organizations were encouraged to adopt a variety of participation strategies, and to cultivate a culture of participation (Denison

1990). The enthusiasm undoubtedly influenced organizational behavior, at least to some degree. Kanter (1989; 1983), for example, 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, and Markowitz (1996) asserted that “giving employees decision-making power boosts their morale and commitment to the organization, which aids productivity Everyone benefits: businesses accrue higher profits and stability because they are more secure in their industry niche and workers are more fulfilled and attached to the companies because they have a voice in decision-making.” Denison (1990) provides empirical evidence that higher levels of employee participation are correlated with better organizational performance.

The literature reveals its management orientation in these discussions – benefits are almost always framed from the perspective of the firm. In this regard, Lawler’s (1990:38-40) summary of expected benefits reflects much of the U.S. literature, although unlike many others, he also includes a summary of potential negative consequences. The expected benefits listed are: Improved, more innovative and efficient work methods and procedures (less resistance to new methods may result, and the problem-solving process may produce innovations). Better communication between management and workers and across work units. Attraction and retention of employees (improvement results from increased satisfaction and involvement). Reduced tardiness, turnover, and absenteeism. Greater staffing flexibility (increased flexibility results from cross-training and teamwork). Increased service and product quality (higher motivation and better methods increase the rate of output). Higher productivity and output (higher motivation and better methods increase the rate of output). Reduced staff support and supervision requirements (more “self-management” and broader skills reduce the needs to staff support and supervision). More effective resolutions of conflict and reduced number of grievances (better communication and an improved union-management relationship reduce the number of grievances). Better decisions (better input and decision-making processes

improve .the quality of decisions).Expansion of staff skills (problems-solving as well as technical skills are developed).Improved morale and job satisfaction.

And the potential consequences are identified as: Salary and training costs (developing new skills and responsibilities for lower-level participants results in increased salaries and additional training) .Support personnel (if the new program creates a new structure that needs support and management, support personnel must increase). Expectations for organizational change and personal growth and development opportunities (any program that talks about participation increases expectations for organizational change and personal growth, which, if it is limited or fails, results in dissatisfaction and cynicism). Resistance by middle management and/or by staff supports groups (if they are not positively affected by the program, they may resist it). Lost time (participation takes time and can slow decision making because a number of people have to understand and accept the decision)

Appropriate for a discussion of participation and involvement, Bolle de Bal (1992a) points out that those at different positions in the organization have different interests, and hence different perspective on the benefits and costs of providing direct participation mechanisms for employees

In general, reflecting the enduring dominance of the bureaucratic hierarchical model, participation and involvement in organizations is discussed as the way organizations set the context for and interact with employees through the decisions and actions of managers, who are assumed to have the authority to modify all aspects of the organization. In some cases, managers are included among employees, and the focus is on the rights, roles, responsibilities, and interactions of the members of an organization – either among themselves or with groups and individuals outside the organization. The discussions range in scale from societal to organizations of firms to organizational units, teams, and dyads. Although dominated by the firm's point of view, the literature does reflect a general awareness that the firm, managers, employees, and union representatives may have different interests and perspectives on particular strategies and their

consequences. In general, aside from the most general observations, the involvement, and the literature draws few, if any, connections between participative management and employee involvement, and the organizational and management requirements/consequences of external stakeholder involvement. Literature on external stakeholder involvement seldom considers the implications of stakeholder involvement on the organization's structure, management approach, or processes.

Most of the literature on participative management and employee and stakeholder involvement reflects a systems view of organizations and emphasizes that decisions regarding organizational design or change concerning participation are complex in many ways, meaning that different approaches will fit different types of businesses, situations, and individuals. As participation became more common and participative management started to be seen as a system of governance rather than a collection of activities or programs, attention has been focused on the importance, and challenge, of designing the right combination of participative management. Drehmer et al.'s (2000) research demonstrated that there are relationships and interactions among different the participation strategies and approaches and they, along with others, emphasize that only about both the nature and extent of the activities, but also their location within the organization and the manner which they are introduced and implemented Bloom (2000:10), Lawler, III (1993;177), Case (1998). Lawler (1993) emphasizes the need for a complete organizational model in order to design an appropriate participation approach or transition, noting that this can be particularly challenging because most existing large organizations do not provide useful models for how an organization should be designed to create an effective participative management approach. Indeed, he notes that almost all existing systems are designed to accomplish – and reinforce – just the opposite.

Although there is no authoritative source or theory that defines the dimensions of participation, Lawler and others (Lawler 1998:197; Lawler et al. 1998; Ledford 1993) provide a good starting point by identifying four key strategies, whose nature and location in the organization are central issues for governance in all organizations and which largely determine the nature and degree of participation available to employees. These strategies are: Information sharing about business performance, plans, goals, and strategies, about new technologies and competitors' performance. Without business

information, individuals are restricted in their ability to make meaningful contributions, participate in planning and setting directions, understand the effectiveness of their performance and that of the organization, Information sharing includes both information disclosure and open communication processes. Knowledge development and training to provide skills in group decision making and problem solving, leadership, quality and statistical analysis, an understanding of the business, and job skills and cross-training. This knowledge and training enables employees to understand and contribute to organizational performance. Rewards and recognition systems that are based on the performance of the organization and that are designed to encourage employees to obtain information, add skills, take more decision making responsibility, enhance teamwork, and perform in ways that help the business (for example, through the use of individual incentives, work group or team incentives, gain sharing, profit sharing, employee stock ownership plans, stock options plans, and non-monetary recognition and awards for performance). Power sharing, particularly in decision making, either through parallel structure practices, such as quality circles, committees, survey feedback, or suggestion systems, or work design power sharing practices such as job enrichment and redesign, self-managing work teams, mini-business units, and participation on decision-making boards and committees that enable employees to use and apply the information and knowledge effectively; key strategies include locating decisions at the lowest possible level in the organization.

Bolle De Bal (1992b) makes the point that the participative model of management can be called post-rational because its rationality is adapted to previously neglected values of creativity, self-expression, and participation. Reflecting Lawler's four dimensions, he describes the participative model of management in the following terms: Job hierarchy is narrowed and the workers recover a number of tasks that the Taylorian model had hived off to the technical staff. Supervision based on authority is replaced by supervision based on competency and performing two functions: technical consultancy and small-group human relations Negotiations become possible at the rank-and-file level over production goals, also to his degree of involvement or participation in company life

Mixed decision-making models are developed in which the hierarchy sets general objectives while leaving many questions open to negotiations at lower levels.

Island of production are created where small groups of wage-earners are responsible for a complicated set of maintenance, production and quality control tasks. Employees' activities are all linked to the firm's objectives through the overriding concern about product quality; on management's initiative, participative groups are formed, and cultural operations (information, communication, company charters) are launched.

As pointed out by Lawler (1988), Lawler et al. (2001) and others, creating a participative organization, either through design or transition, requires rethinking the entire structure and management of the organization, including how individuals interact, roles are defined, and practices implemented. For transitions, the principles of change management need to be followed.

Davis (1976:7) identifies four models of organizational behavior that inform the discussion of participative management: autocratic, custodial, supportive and collegial. In a collegial model, the managerial orientation is toward integration and teamwork and the employee orientation is toward responsibility and self-discipline.

A number of specific mechanisms, programs, and strategies have been developed to provide participation opportunities for employees, typically in traditional bureaucratic hierarchical organizations. Initially, they were generally introduced singly or in groups, often in a small section of the organization. Recently, greater attention has been given to the interactive nature of these mechanisms and the need to consider the introduction of participative mechanisms in a more systematic way. The most common participative mechanisms and strategies include democratic management, information sharing forums, joint-labor management training programs, safety and health committees, quality circles, quality of work life programs, employee participation teams other than quality circles, total quality management team based work structures with a variety of responsibilities, gain sharing and profit-sharing plans, employee ownership programs, worker representation on corporate board of directors, survey feedback, job enrichment or redesign initiatives, union-management quality of work life committees, mini-enterprise units, self-managing work teams, site-based management programs, business process reengineering, open book management and theory z

The third approach is called the high involvement approach. As indicated by the name, its strategy is to structure the organization "so that people at the lowest level will have a

sense of involvement not just in how they do their jobs or how effectively their group performs, but in the performance of the total organization” (Lawler 1988:199). The high involvement approach goes further than the other two approaches in moving information, knowledge, and power to the lowest organization level and to support participation into the fundamental governance of the organization.

Fantasia et al. (1988:469) also distinguish three types of worker participation: (1) humanization programs that seek to restructure tasks or jobs to increase productivity; (2) worker ownership programs, which may or may not include participation by workers in decision making; and (3) problem-solving groups, such as quality circles that are convened to resolve problems (usually production problems) in the work place.

ase (1998) discusses the concept of open-book management, by which he means an organization in which all employees see themselves as partners in the business, rather than as hired hands. This approach is built on three principles: Transparency: everyone, not just the executives sees and understands the business information and “real numbers” of the organization. Joint accountability: everyone is held responsible for his or her part in company performance. Shared stakes in the company; if you want people to think and act like owners, you have to pay them accordingly.

Another way of categorizing involvement approaches is by their relationship to rewards, compensation, and ownership. Eaton et al. (1997) and Ben-Ner and Jones (1995) focus on the restructuring of compensation, or strategic involvement through gain-sharing, in Eaton et al.’s term. Most comprehensive gain-sharing plans involve both a compensation system that incorporates group incentive payments and extensive employee involvement focused on reducing waste and increasing productivity. Pendleton et al. (1996) discuss Employee Share Ownership Plans (ESOPs), which developed in the U.K. in the 1980s and for which U.S. legislation was established. Backrach and Botwinick (1992) note that the nature of the relationship between employee ownership and worker participation is a dispute issue. Ben-Ner and Jones (1995:534) discuss the intersection between the control rights held by employees and their return rights, which range from none to majority ownership positions.

Considerable efforts has been expanded to develop appropriate ways to describe the nature, location, and extent of the participative strategy or mechanisms being employed,

both to provide a more reliable basis for evaluation and comparison and to allow transfer of lessons learned (Cotton et al. 1998; Pendleton et al 1996; Bolle de Bal 1992a; Bonpain 1993; Coye and Belohlav 1995; Lawler 1988; Eaton et al. 1997). The level of the organization at which participative strategies have been implemented, the extent of the participative program in terms of proportions of organizational units and workers involved, and the locus of control over initiation and termination of the participative strategies are widely recognized as key dimensions that need to be carefully described.

2.2 Employee's Morale and Aspect of Participative Planning.

Employee morale is a by – product of motivation. According to Spriegel (2006) morale means the cooperative attitude or mental health of a number of people who are related to each other on some basis. A further meaning of morale may be taken as a readiness to cooperate warmly in the task and purposes of a given and purpose of a given group organization. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulations and orders and a willingness to cooperate with others in the accomplishment of organization's objectives. Poor morale is evidenced by cases of insubordination, discouragement and dislike of job or company.

High morale is likely to be associated with superior motivation and accomplishment and low morale with frustration, discouragement and lack of drive. Psychologists say that morale refers to a condition of physical and mental well-being of the individual. (Chege, 2005)

Morale is made up of such attitudes combined with other factors. It may be described in terms of the attitude of an employee towards his firm. It is the sum of satisfaction experienced by an employee on account of his job and a member of a work team. Morale is a busy product of the group relationships. The concept of morale is different from teamwork, which implies cooperative and harmonious relations among the members of a group.

In order to create and maintain high morale, the management should have accurate and up to date information about employee's attitudes their jobs. Management should carefully record and analyze changes in the behaviour of employees. High morale is indispensable for the efficiency and effectiveness of every organization in the long run.

Low morale exists when attitudes inhibit the willingness and ability of organization to attain company objectives. (Flippo, 2003)

2.3 Organizational Coordination and Participative Planning.

Coordination implies an orderly pattern or arrangement of group efforts to ensure unity of action in the pursuit of common objectives. It involves orderly synchronization of the efforts of individual components of an enterprise to provide the proper timing, quality, place and sequence of efforts so that stated objectives can be achieved.

Coordination, according to Boydell (2005) requires unification of diverse and specialized activities. It is the task of blending the activities of individual and group efforts in order to maximize contribution towards the accomplishment of common goals. According to Henry Fayol, to coordinate is to harmonize all the activities of a concern so as to facilitate its working and its success. The working schedules of various departments are constantly attuned to circumstances. The purpose of coordination is to secure harmony of action or teamwork and concurrence of purpose. It is the basic responsibility of the management and can be achieved through the managerial functions. Coordination does not arise spontaneously or by force. It is the result of conscious and concerted action by the management.

Coordination is required in group efforts, not in individual effort. It involves the orderly pattern of group efforts. There is no need for coordination when an individual works in isolation without affecting anyone's functioning. It has a common purpose of getting organizational objectives accomplished. Coordination should never be confused with cooperation because the two terms denote different meanings. Cooperation refers to the collective efforts of people who associate voluntarily to achieve specified objectives. It indicates the willingness of individuals to help each other. Coordination is much more inclusive, requiring more than the desire and willingness to cooperate. Coordination does not arise automatically from the voluntary efforts of people; rather it has to be through conscious and deliberate efforts of the manager. Cooperation facilitates coordination and provides a foundation for it.

Heckscher (1995), who has studied autonomous teams, notes that in order for these types of groups to work effectively across group boundaries, they need to be formed as temporary structures; otherwise, the teams build their own walls and wage turf battles. He notes that the goal is to increase the basic flexibility of the system and increase interdependence and interaction.

2.4 Decentralization of Authority due to Participative Planning

According to Saleemi (2008), decentralization is the pattern of responsibility arising from delegation. It is the systematic effort to delegate to the lowest levels of authority, except that which can only be exercised at central points. Decentralization authority is a fundamental phase of delegation. In centralized set up decision – making authority concentrates in a few hands at the top. Centralization is the systematic and consistent reservation of authority at central points in the organization. Decentralization implies greater powers to persons and places away from the centre. It also means that a greater number of important decisions will be made at the lower levels without subject to prior approval of higher authorities.

The degree of decentralization can be measured by the number of employees, the scope of duties and importance of decisions made at lower level including the amount of checking required. The type of authority delegated, the level to which it is delegated and how consistently it is delegated, indicate the degree of decentralization. In broad terms, everything that goes to increase the importance of the subordinate's role is decentralization; everything which goes to reduce it is centralization.

Decentralization is the end-result of delegation and dispersal of authority at various levels. It refers to a relationship between the top management and various departments and divisions in the enterprise. It is optional in the sense that the top management may or may not favour a deliberate policy to work for a general dispersal of authority. (Chege, 2005)

Thus, neither decentralization nor centralization is a panacea for the organizational ills. A balance between the two should be established after a careful analysis of the total operating environment. The economic issue between centralization and decentralization is between total administrative cost and more effective performance. The advantage of

centralization should be weighed against the advantages of decentralization before determining the degree to which decisions are to be centralized or decentralized.

The tradition logic of organization is to give simple work to employee at the bottom of the pyramid who then report through a supervisor up a hierarchical chain of command to senior executives who provide direction, coordination, and control. This does not work well for organizations managing knowledge intensive tasks. As the number and visibility of high knowledge-based organizations increases, the need for a “new logic” of management has gained currency among both academics and managers (Lawler 1996; Beer et al. 1990; Case 1998). One of the main social and organizational utilities of participation is that it offers the possibility of resolving contradictory interests through individual negotiation and/or collective bargaining rather than imposition of authority (Bolle de Bal 1992a). Miller and Monge (1986:730-732), who conducted a meta-analysis of the literature on participation in the workplace, used three types of explanatory models to examine participation’s in decision making is beneficial because it enhances the flow and use of important information in organizations and the use of better information for decisions – increased worker satisfaction is seen as a by-product of their participation, not a central purpose; (2) effective models linking participation to productivity and satisfaction by facilitating attainment of higher order needs such as self-expression, respect, independence, and equality, which in turn lead to increased morale and satisfaction and a greater commitment to implement jointly-reached decisions; and (3) contingency models that reflect the interest variability and the dependence of individual response to participation upon a variety of variables including individual characteristics (such as personality) and context. In 1993, Lawler (1993:174-177) emphasized the strategic benefits of participative management, arguing that decisions could be made more rapidly and flexibly when power is moved to the lowest possible level and that workers, especially knowledge workers, were empowered and motivated by these changes. Overhead costs can be greatly reduced, increasing the organization’s competitive advantage, and better use can be made of capital-intensive technologies by improved problem solving and adaptive behavior.

2.5 Controls in Operations and Participative Planning

Control is an important concept in participative planning. To control means to check and ensure that what is planned is translated into performance. It extends to mean to keep a watch on the proper use of material, safeguarding of assets, functioning of processes and checking quality of output. Control should not be confused with lack of freedom. It is consistent with freedom. Controlling means determining what is being accomplished, evaluating the performance and applying corrected measures so that the performance takes place according to plans.

As pointed out by Gathungu (2006), control is any process that guides activity towards some pre-determined goals. It ensures that what ought to be done is being done and restricts undesirable actions in terms of quantity, quality, time and costs. There is a close relationship between participative planning and control functions. Planning serves as the basis of control. The plans act as the standards for evaluating actual performance. Control cannot be effective unless a clear goal or target has been laid down. Planning sets the course, control attempts to make operations adhere to that course. At the same time, planning can achieve nothing without control of actual operations. The control process may reveal deficiency of planning and may lead to revision of plans. It may also result in setting of new goals, re-organization, and improvements in staffing and changes in the techniques of directing.

The process of control involves correct actions to bring actual performance and standards together. Corrective measures involve right decisions as to what and how deviations are to be rectified. Effective decisions are primarily control decisions. Policies laid by the management become the basis and reason for control. Through the process of control, an organization can verify the quality of various policies.

Lawler (1988:1997-201) distinguishes three involvement-oriented approaches to management that have been widely referenced in the literature. The three approaches differ in their histories and approach to the four strategy dimensions identified above (information sharing, knowledge development, reward system, power sharing).

Parallel suggestion involvement is an approach that solicits employee involvement through mechanisms such as formal suggestion programs, often supplemented with

supportive reward system such as gain-sharing, in which the provider of the suggestion receives a share if the resulting monetary benefits. Quality circles are a popular example of a parallel suggestion approach. Indicative of this approach, quality circles use groups especially constituted to generate suggestions, frequently after receiving considerable training. As with other manifestations of this approach, participants are taken out of their regular organizational position and put in a separate new structure that operates parallel to the 'regular' organization. The participants in these parallel structures are usually empowered only to make suggestions, not to decide on or implement their recommendations; the authority for establishing and framing the suggestion process and for acting on the recommendations is retained by management.

Consequently, parallel suggestion involvement is considered a top-down approach. Eaton et al. (1997) calls this type of approach off-line participation through parallel structures. Bachrach and Botwinick (1992) provide an extensive discussion of another variant of this approach, quality of work life programs, which were first initiated in the U.S. in the late 1960s to combat low productivity, wildcat strikes, absenteeism, sabotage, tardiness, high turnover, and other labor problems.

The second involvement-oriented approach identified by Lawler is job involvement, which focuses on modification of the work process to improve worker motivation and satisfaction either by creating individual jobs that are more satisfying and challenging or by creating work groups or teams that are given responsibility for, and some autonomy in completing the job. Depending upon the degree of autonomy, such groups are variously called autonomous work groups, self-managing groups, work teams, or semi-autonomous work groups. A key goal of this approach is to give workers more control over how the work is done. Eaton et al. (1997) label this approach production-based on-line participation.

Past studies shows that workers participation in planning process is to establish good communication, promote teamwork, reduce any resistance to change and accommodate emerging issues of employees in the planning exercise. The process of including employees in decision-making process and in problem – solving exercise is to make them own the entire processes in the organization.

A study on Queensland government's project to improve infrastructure and service delivery to Indigenous settlement showed the importance of increased use of participatory planning as a means of improving infrastructure and service delivery to Indigenous settlements. In addition to technical and economic goals, including empowerment, capacity building, community control and ownership. An evaluation of one such planning project, conducted at OLD Mapoon in 1995 notes that despite various efforts to follow participatory processes, the plan had mixed success in achieving stated social development goals. Old Mapoon is located on the western coast of Cape York peninsula, and was once one of the largest missions on the cape. It was closed in the early 1960s, to make way for proposed mining development, and the last remaining residents were forcibly relocated in 1963 to New Mapoon, on the tip of the Cape (Roberts 1975; Roberts et al 1975). From the 1970s they gradually began to return to their homes, settling on their old often against considerable adversity. The scale of this endeavor was evident in the prevalence of owner built humpies, which were norm in 1995.

This evaluation suggested some misunderstanding between the practices of participatory planning between the displaced people of local governance. It also presents some opportunities for participatory planning methods to be integrated into more inclusive forms of governance.

This practice of participatory planning in Queenslandland Indigenous settlements was relatively new. An assessment (Moran 2002a) found that most plans were prepared in the 1990s and especially in the years since 1995. This largely corresponds with the period Queensland, which were created throughout the late 1980s. As communities and Governments had called for improved self-governance and accountability, participatory planning had emerged as a key instrument to facilitate discourse and negotiation.

Early planning in Indigenous settlements in Queensland focused on technical issues and engineering infrastructure. From 1987 to 1990, Infrastructure Development Reports were prepared for communities. More recently, in 2000, community Expansion Plans were prepared to meet urgent needs for serviced housing allotments. An update of the Total Management Plans with a planning horizon from 2000 to 2010 was then completed in 2001. Typically these infrastructure-based plans were driven by economically efficient engineering design, resulting in small allotments and grid-type layouts. Community

consultation was largely limited to the elected council and council employees, many of the latter being non-Indigenous.

The Queensland government did not begin actively to promote participatory planning until the mid-1990s. The Department of Aboriginal and Torres Strait Islander Policy (DATSIP) provided funding for participatory planning through its alternative Governing Structures program from 1995 to 1998. The Aboriginal and Torres Strait Islander Infrastructure Program implemented two innovative participatory planning projects from 1998 to 2000: the Community Infrastructure Planning (CIP) and the community Settlement Planning (CSP) Projects.

In his study titled “what happened to participatory planning in Kenya’s arid and semi arid land”, Martin E.Adams notes that the government of Kenya had pursued an active strategy on Improved Participatory Planning and Management for the development of Kenya’s Arid and Semi-Arid Lands (ASAL) for more than two decades. ASAL areas account for more than 80% of Kenya’s land area yet hold only 20%of the population. Because of their low economic potential, these areas tended to be neglected in development strategy until in the mid-1970’s it was recognized that they merited special attention since, their inhabitants were often amongst Kenya’s poorest, they needed to support and feed a growing population if they were not to become an increasing burden on the rest of the economy.

The 1979 Government policy document (GOK, 1979) on ASAL was followed by the established of 12 donor-funded integrated rural development programmes (IRDPs) in 14 of Kenya’s 22 ASAL districts. To co-ordinate them, a special ASAL Section was created in 1980 in the Rural Planning Department of the Ministry of Economic Planning and Development (MEPD), subsequently the Ministry of Economic Planning and Development (MOPND). The first of the ASAL district programmes was the Machakos (MIDP). This began in 1978 in Machakos District which had long been recognized as a critical area by those concerned with the development of sustainable dry land agriculture on erodible soil. The MIDP has been funded by the European Development fund to current total of Ksh.17.25 million. The Phase I objectives were simply to increase productivity and raise rural living standards. Its major justification was poverty alleviation. MIDP strategy emphasized planning at the local level, building local

implementation capacity and investing in a range of complementary activities to overcome joint constraints. To achieve the above objectives, planning and implementation were meant to be decentralized to the district level and efforts were made to seek complementariness between sectors.

From the outset, the locus of decision-making and control of the ASAL district programmes committees, from the locational, through divisional up to the district level. Detailed programmes were expected to evolve as a result of a process of annual planning and budgeting. Despite early progress on MIDP with district-level planning which led to the formulation of the District Focus for Rural Development policy (GoK,1984), subsequently, little has been achieved in the way of institutional development of district level or below, either in Machakos or in other ASAL districts. The reasons why little progress was achieved with participatory planning on ASAL programmes in Kenya could be due to the following reasons :That the organization of participatory planning is management intensive and the trained personnel needed to facilitate the process are generally scarce in rural areas, particularly, ASAL. That there is no widely applicable methodology that have been developed by which participation may be institutionalized. The ASAL programmes operated separately from the District Planning Units, and in some instances, looked towards Nairobi rather than the District for guidance. In any case, the district (with a population often in excess of one million.) is probably at too high an administrative level to foster participation, divisional level is probably the upper limit. The government budgetary process is both complex and unduly attenuated. It does not easily accommodate the allocation of government funds to finance ad hoc local works and the weakness of the coordinating ministry results in a high degree of donor involvement in day-to-day management of programmes.

2.7 Conceptual Framework

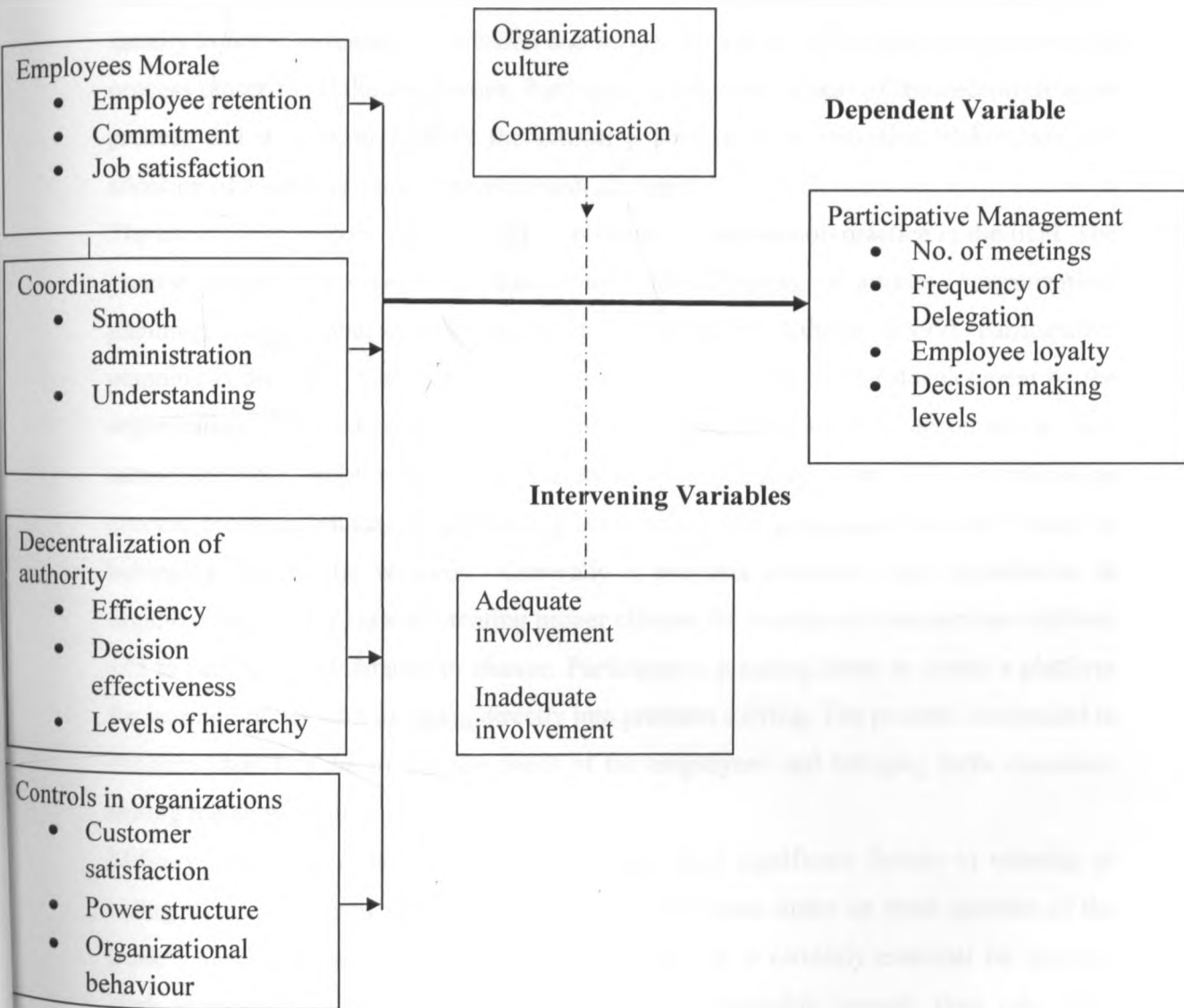
A Conceptual framework describes how the main variables in research studies are related. The independent variables refer to be benefits of engaging employees in participative planning. The dependent variable refers to the outcome of such engagement.

Fig. 1: Conceptual Framework

Independent Variables

Moderating Variables

Dependent Variable



Source: Author(2012)

The independent variables of this study are pegged on the various factors of employee morale and motivation, coordination and team work, decentralisation and controls in an organisation. These factors are independence in themselves and their independence in promotion of participative management in organisations is dependent but may be interjected by intervening variable of adequacy or lack of it in the independent variables.

2.8 Summary

Decentralization can be viewed as a process with varying degrees of devolution of functions and finances to the organization. The objective of decentralization programs is usually to improve resource allocation and service provision by bringing decision making process closer to all the employees. Participatory planning is part of the decentralization process and it aims to identify the critical problems, joint priorities, elaboration and adoption of a socio economic development strategies.

The use of participatory methods and tools has become common practice in the field. The process mainly involves: appraisal, needs identification, restitution, organization, planning, implementation and evaluation. As stated by Olthelen (1999), participative planning is the initial step in the definition of a common agenda for development by the organization. The underlying objectives of participate planning is to accommodate and harmonize both employees views and those of the management. The participation process promotes mutual understanding between the two groups and creates a sense of belonging among the workers. Generally it prevents alienation and exploitation in organizations with a view of creating proper climate for cordial and harmonious relations and to handle any resistance to change. Participative planning helps to create a platform for learning rather than plunging directly into problem solving. The process is expected to enhance identification of the felt needs of the employees and bringing forth consensus among the employees.

Military experts consider morale as one of the most significant factors in winning or losing wars. Napoleon stated “in war, morale conditions make up three quarters of the game”. This may be an exaggeration but high morale is certainly essential for success. High morale exists when employee’s attitudes are favorable towards their jobs, their company and their fellow workers. Low morale exists when attitudes inhibit the willingness and ability of organization to attain company objectives. (Flippo, 2003)

In order to create and maintain high morale, the management should have accurate and up to date information about employee's attitudes their jobs. Management should carefully record and analyze changes in the behaviour of employees. High morale is indispensable for the efficiency and effectiveness of every organization in the long run.

Coordination on the other hand implies an orderly pattern or arrangement of group efforts to ensure unity of action in the pursuit of common objectives. It involves orderly synchronization of the efforts of individual components of an enterprise to provide the proper timing, quality, place and sequence of efforts so that stated objectives can be achieved.

According to Boydell (2004) coordination requires unification of diverse and specialized activities. It is the task of blending the activities of individual and group efforts in order to maximize contribution towards the accomplishment of common goals. The working schedules of various departments are constantly attuned to circumstances. The purpose of coordination is to secure harmony of action or teamwork and concurrence of purpose. It is the basic responsibility of the management and can be achieved through the managerial functions. Coordination is required in group efforts, not in individual effort. It involves the orderly pattern of group efforts. There is no need for coordination when an individual works in isolation without affecting anyone's functioning. It has a common purpose of getting organizational objectives accomplished.

Participation in planning process is to establish good communication, promote teamwork, reduce any resistance to change and accommodate emerging issues of employees in the planning exercise. The process of including employees in decision – making process and in problem – solving exercise is to make them own the entire processes in the organization.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology that was used in this study. It details research design, population of the study, sampling techniques and sample size, research instrument, validity and reliability of instrument. It also explains data collection techniques and methods of data analysis.

3.2 Research Design

The study explored the problem in an interpretative view, using a descriptive survey which uses observation and surveys. Creswell (1994) notes that descriptive method of research helps to gather information about the present existing condition. The purpose of employing this method is to describe the nature of a situation, as it exists at the time of the study and to explore the cause/s of particular phenomena. Thus this research was a descriptive survey though it has an element of exploratory study.

3.3 Target Population

The target population was 300 employees of National Bank of Kenya .The employees are in 6 divisions in the NBK head office as shown in the table below.

Table 3.1: Target Population

Division	Frequency
Marketing & business development	55
Legal and remedial management	6
Information & communication Technology	34
Audit and security	15
Operations	110
Credit	80
N	300

Source: NBK (2012)

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3.4 Sampling Technique and Sample size

A sample is a representative portion of a given population under study. When collecting the data, ensured that the samples were free from personal bias and actually act as a representative of the population under study thereby reducing the sampling variability.

Stratified sampling method and purposive sampling was used. Stratified random sampling is a sampling carried out at random from each stratum of a stratified population because it is a probability sampling method which helps to select a reasonable number of subjects that represented the target population. The target population has a total of 300 employees but only 85 formed the sample size. The sample size will be selected at random from the 6 divisions of NBK. The table below shows the distribution of the sample size: The table for the determination of sample size developed by Bartlett, Kotrlik and Higgins (2001) see (Appendix D) was used to obtain the sample size

Table 3.2: Sample Size

Division	Target Population	Sample Size
Marketing & business development	55	16
Legal and remedial development	6	2
Information & communication Technology	34	9
Audit and security	15	3
Operations	110	32
Credit	80	23
N	300	85

Source: Author (2012)

Purposive sampling allows a researcher to use cases that have the required information with respect to the objectives of the study (Mugenda and Mugenda, 2003:50). This technique was used to select six managers and (or supervisors) from each of the above divisions.

3.5 Data Collection methods and techniques

Data was collected by use of questionnaires and informal interviews. There were two sets of questionnaires, one for management and another for employees who have been

working for the business for 6 months or more months. Informal interviews were done mostly to verify the information in the questionnaire. In this respect, six managers from the population were interviewed. The questionnaires contained structured and unstructured questions. The one for management had two sections. Section one dealt with managers' knowledge, perception and practice of employee involvement. The employees' questionnaire also had two sections. Section one aimed getting the demographic information and section two contained questions in the following areas; participation in interaction with the management and customers and job satisfaction.

3.5.1 Instrument Validity

“Validity is the accuracy and meaningfulness of inferences, which are based on the research results..... it is degree to which results obtained from the analysis of the data actually represent the phenomenon under study.”(Mugenda and Mugenda, 2003:99). To enhance validity of the questionnaire, the researcher sought advice from the supervisors on validity and relevance of the questions to the topic under study. Comments and suggestions were considered in formulating the final copy.

3.5.2 Reliability of the Instrument

Instrument reliability refers to the level of internal consistency, on the stability of the measuring device (Thorndike and Hagen, 1961). It is the degree to which test scores are free from measurement errors (Best, 1981). The sample questionnaire was distributed to businesses that were not to be part of the main study. Reliability was determined by split-half technique. This involved breaking the instrument into two equivalent halves after administering it. Each of the two sub-sets was treated separately and scored accordingly. The scores were computed and the two halves correlated using persons' correlation coefficient.

3.6 Data Collection Procedure

Self administered questionnaires were used to gather the required data. The questionnaire constituted structured or those ended and unstructured or open ended items. Open ended questionnaire can stimulate the respondents to think about their feelings or motives and to express what they consider to be most important. Dates of collecting the questionnaire

were made to be one week after the first visit. The date for interviewing the managers concurred with collecting their filled questionnaires. All respondents were assured of confidentiality.

3.7 Data Analysis Techniques

The data collected was edited and then examined to detect errors and omissions and correct them where possible. The responses to every question in the filled questionnaires from the respondents were edited, tabulated, analyzed and computed to percentages by use of a computer. Descriptive statistics such as mean, percentages were used and information presented in form of tables.

3.8 Operational definition of variables

This is the operationalization of the research concepts to make them measurable. The research topic was translated to observable and measurable objectives, which were put into research questions. The variables were identified and measurable indicators specified. The table in the next page shows this.

Table 3.3 Operational definition of variables

Objectives	Research question	Variables	Indicators	Measurement scale	Tools of analysis	Type of analysis
To establish how employee's motivation and morale contributes to participative planning and management	Does employees' motivation and morale promote participative planning and management	Strategies used Reward system	Employee loyalty Reduced absenteeism Low turnover	Nominal	Frequency percentage	Descriptive
To examine whether co-ordination and team work enhances participative planning and management	Does organization coordination and teamwork foster participatory planning and management	Team spirit Camaraderie	Smooth administration understanding	Nominal	Frequency percentage	Descriptive
To explore if decentralization promotes an environment for participative planning and management	Does decentralization in organizations encourage participatory planning and management	Flexibility Delegation	Efficiency Hierarchy levels Decision effectiveness	Nominal	Frequency percentage	Descriptive
To establish to what extent does controls facilitate participatory planning and management in organizations	Do control measures facilitate participatory planning and management in an organization	Strict schedule Co-operation	Customer satisfaction Prompt service Reduced complaints	Nominal	Frequency percentage	Descriptive

Source; Author (2012)

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter focuses on data analysis and presentation of the findings from the research question that are investigation of establishing whether employee motivation, organization coordination and team work, mechanism for decentralization of authority and control measures influence participatory planning and management at National Bank. The data is presented using tables for easy analysis and interpretation. Statistical analysis of the findings was using frequencies and percentages.

4.2 Questionnaire Response and Return Rate

Table 4.1 below show the questionnaire response and return rate:

Table 4.1: Questionnaire Response and Return Rate

Category	No of questionnaires administered	No of questionnaires filled and returned	Percentage
Management	37	35	95%
Employees	48	44	92%

Source: Field data (2012)

Two sets of questionnaire were developed, one for the management cadre and the other for the employees. There were 37 management staff sampled and out of these, 35 questionnaires were returned. This represents 95 % return rate. Out of the 48 employees sampled, 44 questionnaires were returned. This represent 92 % return rate.

4.3 General Information on Respondents

This is basically the information on the population interviewed in this research. It is the demographic characteristic of the sampled population. The research sample included the management of the organization and other employees. This section has analyzed gender issues, education and professional information together with work experience for both.

4.3.1 Gender Distribution of the Respondents

Table 4.2: Gender distribution of respondents

Gender	Number of respondents		Percentage	
	Employees	Management	Employees	Management
Male	34	29	77%	83%
Female	10	6	23%	17%
Total	44	35	100%	100%

Source: Field data (2012)

Out of the 44 employee respondents under study, 34 accounting for 77% were male while 10 accounting for 23% were female. While the management staff respondents under study had 29 male respondents accounting for 83% and 6 female respondents accounting for 17%.

This information shows a significant gap in gender imbalance. With only 23 % and 17% in the employees and management categories being women, it is evident that more women need to come up and compete with men to make up for a more balanced workforce.

4.3.2 Age Distribution of the Respondents

It was also necessary to have a background on the age distribution among the respondents. The respondents were asked to indicate the age group they fit in.

Table 4.3: Age distribution of respondents

Age	Number of respondents		Percentage	
	Employees	Management	Employees	Management
21- 30 years	22	3	50%	8%
31-40 years	13	6	30%	17%
41-50 years	9	17	20%	49%
Above 51years	0	9	0	26%
N	44	35	100%	100%

Source: Field data (2012)

The findings indicate that 22 (50%) of the employee respondents were aged between 21 and 30 years while 9 (20%) were aged between 41 to 50 years. On the other hand out of the 35 management respondents 3 accounting for 8% were aged between 21-30 years, 6 accounting for 17% were between 31-40 years, 17 accounting for 49% were between 41-50 years while 9 accounting for 26% were above 51 years of age.

4.3.3 Distribution of Educational Level

The educational level attained by the respondents is tabulated in table 4.4 below:

Table 4.4: Academic qualification

Education level	Number of respondents		Percentage	
	Management	Employees	Management	Employees
A – level	12	-	34%	-
O- level	-	-	-	-
University	23	44	66%	100%
N	35	44	100%	100%

Source: Field data (2012)

From the study, it was noted that all employee respondents translating to 100% of had acquired university education as the highest level of academic qualification. On the other hand of the management 12 respondents accounting for 34% had attained up to A-level academic qualification while 23 accounting for 66% had a degree.

4.3.4 Highest Professional Qualification

Table 4.5 below shows the professional qualification attained by the respondents who are the employees and management personnel of the bank.

Table 4.5: Highest professional qualification

Highest professional qualification	Number of respondents		Percentage	
	Management	Employees	Management	Employees
Degree in business related studies	22	40	63%	91%
Diploma in business related studies	13	4	37%	9%
N	35	44	100%	100%

Source: Field data (2012)

Out of the 44 employee respondents 40 accounting for 91% of had a degree in business related studies while 4 accounting for 9% had Diploma in business related studies. He management respondents had 22 of them accounting for 63% having a professional qualification of s degree in business related studies while 13 respondents accounting for 37% had a diploma in business related studies.

4.3.5 Length of Service

Table 4.6 below shows the duration of service of both the employees and the management at the National Bank of Kenya:

Table 4.6: Length of service

Length of service	Number of respondents		Percentage	
	Employees	Management	Employees	Management
Less than 5 years	33	1	75%	3%
6-10 years	7	5	16%	14%
11-15 years	4	17	9%	49%
More than 16 years	0	12	0	34%
N	44	35	100	

Source: Field data (2012)

Out of the 44 employee respondents of the study, 75% have been in service for less than 5 years while 16% have been in service for a period of 6 to 10 years. While 9% of respondents have been in service for a period of 11 to 15 years. The management respondents had 1 respondent accounting for 3% serving for less than 5 years, 5 accounting for 14% serving for between 6 to 10 years, 17 accounting for 49% serving for between 11 to 15 years while 12 had served for more than 16 years.

4.4 Findings from the Employee Responses to Questionnaire Items

Out of the 44 respondents, 37 of the respondents accounting for 84% were very satisfied with their jobs noting that they are permanent and pensionable and further they have some benefits of car loans, mortgage facility and easy credit access. Most of the respondents noted that they aren't charged commissions on their accounts. The respondents further noted that their employer, the NBK have other motivation aspects of in-service training which makes them relevant in the current banking industry requirements. Three respondents accounting for 7% were satisfied by the virtue that their jobs were permanent and pensionable citing in their reason of being satisfied. While four respondents accounting for 9% were not satisfied with their job citing reasons of being too occupied on daily basis during working days, lack of career development opportunities and the high number of

customers they serve with inadequate staff thus over working. Working on weekends was noted to be a major setback to their work life balance. The reason for most of the employees under study being very satisfied may be due to scarcity of jobs in Kenya thus being employed by the bank is an achievement.

4.4.1 Level of job satisfaction

The table below shows the level of job satisfaction by bank employees.

Table 4.7: Level of job satisfaction

Level of satisfaction	Frequency	Percentage
Very satisfied	37	84%
Satisfied	3	7%
Not satisfied	4	9%
N	44	100

Source; Field data (2012)

Out of the 44 respondents/ employees under study 42 employees accounting for 95% were involved in the management of NBK at operational level while 2 respondents accounting for 5% were involved in both operational and management levels of the bank. Probably the reason for most of the respondents accounting for 95% being involved in operational level of the management may be due to their job description of being cashiers/ tellers, account opening and loan processing officers. While the 5% involved in both management and operational levels of involvement probably may be due to delegation of duties in terms of acting on behalf of their seniors in their absence.

4.4.2 Level of Involvement in Management of the Bank

Table 4.8 below shows the levels of involvement in management of the bank:

Table 4.8: Level of involvement in management of the bank

Level of involvement	Frequency	Percentage
Operational level	42	95%
Tactical level	2	5%
Strategic level	0	0%
Policy level	0	0%
N	44	100

Source; Field data (2012)

Out of the 44 respondents under study, 37 respondents accounting for 84% noted that their suggestions were forwarded to the top management for action and mostly their line manager for actions. One respondents accounting for 2% noted that suggestions by employees to the management are considered with the policies of the NBK. Another 3 respondents accounting for 7% noted that their suggestions are treated fairly while a further 3 respondents accounting for 7% had the opinion that employee opinions aren't taken into consideration by the mere fact that they are juniors and their input is so minimal or lacks any basis for action.

The reason for most of the employees accounting for 84% having their suggestion handled by the management may be due to their involvement in management being at operational level.

4.4.3 Employee's Suggestions Handling by Management

Table 4.9 below shows the respondents responses on how employee's suggestions are handled by the management.

Table 4.9: Employee suggestion handling by management

Consideration of employee suggestions	Frequency	Percentage
Handled by management	37	84%
Handled as per bank policy	1	2%
Treated fairly	3	7%
No action	3	7%
N	44	100

Source; Field data (2012)

The respondent under study had diverse experiences of setback that they have experienced in their engagement with the bank. One respondent accounting for 20% had have experienced a setback due to strikes and mass action. Four of the respondents accounting for 9% have experienced court cases during their engagement at NBK, 22 respondents accounting for 50% had witnessed a setback on bank employees being laid off, 29 respondents accounting for 70% had witnessed closure of bank branches while 3 respondents had witnessed employees' turnover to the bank competitors. The diversity of opinions in setbacks experienced may be due to the length of service by individual employees in regard to their service at the bank.

4.4.4 Set Backs Experienced by the Bank

The table below shows the responses on the setbacks experienced by the bank:

Table 4.10: Setbacks experienced by the bank

Setbacks	Frequency	Percentage
Strikes/mass action	1	2%
Court cases	4	9%
Layoffs	22	50%
Closure of branches	29	70%
Loss of employees to competitors	3	7%

Source; Field data (2012)

4.4.5 Challenges in Participative Planning and Management Initiatives

The employees/respondents under study noted that several problems / challenges that they face in the course of their participation in planning and management. Most of the respondents noted that there is lack of coherence and continuity of the approaches that are used by their immediate supervisor such as handling and understanding in regard to interpretation and execution of their ideas. The respondent further noted that individual interests played a great role with the conflicting interest of the bank. Lack of interaction with managers at policy level is a major challenge to junior employees due to rigid working hours and minimal interaction. This was noted to hinder cohesiveness in planning since some of the policies might not urge well with employees participation and contribution.

Lack of systematic approach in regard to interaction of strategic managers was cited as a challenge since the hierarchy of command was a stumbling block to participation of lower cadre of employees. It was further noted that due to the nature of their work, many employees fear to be victimized in regard that NBK is partly owned by the government and this makes them shield away from involvement in planning and management due to interference from the political class who seems not to be serious in giving guidance and daily operational structure of the bank. Further the fear of collapse/liquidation was noted to be a stumbling block to employee involvement in regard to various banks that have closed due to interferences, thus the employee leave everything to the strategic and policy planners and the management to represent them.

Out of the 44 respondents under study, 39 respondents accounting for 87% indicated that they overcome challenges through committing themselves in executing measures put in place. While 13% of respondents indicated that they usually solve what is possible and then forward to the management for actions.

4.4.6 Employer/Employee Dealing with Challenges

The table below shows the respondents responses on how the employer/employee deals with challenges in their place of work that is NBK.

Table 4.11: Employer/employee dealing with challenges

Solution to challenges	Frequency	Percentage
Committed to execute measures put in place	39	87%
Solving what is possible and forwarding to the management for actions	5	13%
N	44	100

Source; Field data (2012)

Out of the 44 respondents under the study, 6 respondents translating to 14% indicated that the intervention is very successful. Most of them are those who have been involved in both in suggestions at operation and managerial levels. Another 33 respondents translating to 75% rated their intervention as successful. In this category, they are those who have been forwarding their suggestions to top management and they realize actions been implemented. From the analysis, 5 respondents translating to 11% rated intervention as not successful. This category is represented by those who deem their suggestions are not considered since they are at operational level.

4.4.7 Rating of interventions during solving of challenges

Table 4.12 below shows the ratings by respondents of interventions in solving of challenges.

Table 4.12: Rate of intervention

Rate of intervention	Frequency	Percentage
Very successful	6	14%
Limited success	33	75%
Not successful	5	11%
N	44	100

Source; Field data (2012)

From the analysis, 5 respondents translating to 11% indicated that the bank should have mutual engagement at all level i.e. top to down and down to top communication. Another 23 respondents representing 52% indicated that the bank should conduct situational analysis to understand the work environment including job satisfaction. 6 respondents translating to 23% indicated that bank should emphasize on customer needs to retain its market shares and cohesiveness. Another 10 respondents representing 23% indicated that the management should analyze political environment especially on the shareholders trends. This will eliminate or reduce liquidation fears.

4.4.8 Solution to Overcome Challenges Encountered

The table below demonstrates on solutions to overcome challenges encountered:

Table 4.13: Solution to overcome challenges encountered

Solution to challenges encountered	No. of respondents	Percentage
Mutual engagement at all levels	5	11%
Conduct situational analysis to understand work environment	23	52%
Analyze customer needs (market orientation) rapid social change that makes planning for engagement in the future uncertain.	6	14%
Understand political environment and rapid social change that makes planning for engagement in the future uncertain	10	23%
N	35	100

Source; Field data (2012)

Out of the 44 respondents, 35 respondents translating to 80% have been trained on participatory planning and management while 9 respondents representing 20% have not been trained. The untrained respondents contribute to unsuccessful interventions in problem solving.

4.4.9 Trainings on Participatory Planning and Management

Table 4.14 below shows the acceptance or non –acceptance on training impact on participatory planning and management.

Table 4.14: Trainings on participatory planning and management

Training on participatory planning and management	No. of respondents	Percentage
Yes	35	80%
No	9	20%
N	35	100

Source; Field data (2012)

Out of 44 respondents, 6 respondents translating to 14% indicated that they have a department for reviewing and harmonizing the various conflicting interests. This indicates that the same category contributes to very successful intervention during problem solving. Another 38 respondents translating to 86% indicated that they don't have department in charge of harmonizing conflicting interests. This indicated that, the respondents in this category rated their intervention in problem solving as limited success and not successful.

4.4.10 Availability of In-Charge of Participative Planning and Management

The table below shows the availability or lack

Table 4.15: Department of conflict management

Existence of a department on conflict management	No. of respondents	Percentage
Available	6	14%
Not available	38	86%
N	44	100

Source; Field data (2012)

4.5 Management Responses on Aspects of participatory planning analysis

This section gives the employees responses and views on aspects of participatory planning.

4.5.1 Extent of Enhanced Morale and Productivity

The extent of employees' enhanced level of morale and productivity was rated by the respondents as tabulated below.

Table 4.16: Extent of enhanced morale and productivity

Rating	No. of respondents	Percentage
To a great extent	0	0%
To an extent	5	14%
Moderately	21	60%
Not at all	9	26%
N	35	100

Source; Field data (2012)

It is evident from the analysis above shows that a majority of 60% of the respondents noted that morale and productivity are moderately enhanced with 60% of the respondents being involved in participation in planning, 14% were of the opinion that to an extent that

their morale and productivity is enhanced while 26% indicated that neither their morale nor their productivity is enhanced.

Out of the 35 manager respondents under study one respondent accounting for 3% strongly agreed by supporting the relationship between participative planning and coordination in an organization is a critical aspect in regard to its performance, 26 respondents accounting for 74% agreed, 1 respondent accounting for 3% disagreeing and a further 7 respondents accounting for 20% strongly disagreeing.

4.5.2 Support of the Relationship between Participative Planning and Co-ordination

The table below shows the level of agreement of employees on support on relationship between participative planning and co-ordination

Table 4.17: Support of the relationship between participative planning and co-ordination

Level of Support	No. of respondents	Percentage
Strongly agree	1	3%
Agree	26	74%
Neither	0	0%
Disagree	1	3%
Strongly disagree	7	20%
N	35	100

Source; Field data (2012)

Out the 35 managers under study 16 of them representing 46% were of the opinion that to a great extent participative planning promotes coordination and teamwork, 10 accounting for 29% supported to some extent, 4 respondents accounting for 11% noted that moderately does participative planning promote coordination and teamwork while 5 respondents accounting for 14% noted that to no extent does participatory planning has any role in promotion of coordination and teamwork.

4.5.3 Participative Planning in Promotion of Coordination

The table below shows to what extent that participatory planning enhances coordination.

Table 4.18: Extent of participative planning in promotion of coordination

Extent	No. of respondents	Percentage
To a great extent	16	46%
To an extent	10	29%
Moderately	4	11%
Not at all	5	14%
N	35	100

Source; Field data (2012)

The impact of participative planning as a basis of decentralization of authority was rated by 4 respondents accounting for 11% to be extremely important, 12 respondents accounting for 34% rated the same as very important. Sixteen respondents accounting for 46% were of the opinion that somehow there is impact of participative planning as a basis of decentralization while 3 respondents accounting for 9% viewed participative planning as not very important as a basis of decentralization.

4.5.4 Participative Planning as a Basis of Decentralization of Authority

Table 4.19 below shows the importance to which employees attach participative planning as a basic of decentralisation of authority at NBK.

Table 4.19: Impact of participative planning as a basis of decentralization of authority

Rating	No. of respondents	Percentage
Extremely important	4	11%
Very important	12	34%
Somewhat	16	46%
Not very important	3	9%
N	35	100

Source; Field data (2012)

The support for the view that participative planning and management fostering decentralization process at National bank of Kenya had diverse views with 4 respondents accounting for 11% strongly agreeing, 13 respondents accounting for 37%% agreed, 10 respondents accounting for 29% neither did they agree nor disagree ,5 respondents accounting for 14% disagreed while 3 respondents accounting for 9% strongly disagreed.

4.5.5 Participative Planning and Decentralization at National Bank of Kenya

Table 4.20 below shows the level agreement on how participative planning enhance decentralisation of authority at NBK

Table 4.20: Participative planning and decentralization at National Bank of Kenya

Level of Support	No. of respondents	Percentage
Strongly Agree	4	11%
Agree	13	37%
Neither	10	29%
Disagree	5	14%
Strongly disagree	3	9%
N	35	100

Source; Field data (2012)

4.5.6 Participative Planning and Controls in an Organization

Various opinions were expressed by respondents of participative planning and controls in an organization that participative planning enhances ownership of decisions, promotes discipline, enhances cohesiveness and team work. Further the respondents were of the opinion that participative planning promotes understood between the staff and management since all decisions made are all inclusive. Also Participative planning promotes excellent bonding and understanding between the employer and employee bringing forth consensus leading smooth running of the organization and enhanced performance.

4.5.7 Impact Attached to Participative Planning and Effective Control at NBK

The impact attached to participative planning and effective controls at National bank of Kenya was noted by respondents that it devolves decision making to staff level creating harmony with managers, motivates employees to work with minimum supervision as well as promotes a balance between employee's private life and work environment. The respondents further noted that though participative planning takes time in decision making it provides democratic space where employees give their diverse contributions in opinions. Some respondents would not attach anything to participative planning and effective controls National bank of Kenya since the top managements take control of all agency decision

All the 35 managers noted that they involved their employees at operational level .But only 13 of them accounting for 37% involved the staff under them at the tactical level. While no manager involved employees at strategic and policy levels.

4.5.8 Level of Staff Involvement by Managers

The table below shows the level to which staff members are involved in management:

Table 4.21: Level of Staff Involvement by Managers

Level of Involvement	No. of respondents	Percentage
Operational level	35	100%
Tactical level	13	37%
Strategic level	0	0%
Policy level	0	0%

Source; Field data (2012)

4.5.9 Benefits of Participative Planning Process

The respondents had the following benefits for participative planning process in an organization .The process makes everyone in an organization feel involved thus minimizing conflicts due to its nature of involvement. Secondly participative planning promotes cohesiveness and unity among employees thus enhancing teamwork. With this teamwork, there is enhanced coordination, understanding and uplifted morale of employees.

Another benefit of participative planning is greater enhancement of trust amongst the employees and management which leads to improved job satisfaction. With employee

involvement, there is effective and efficient productivity. The process in its nature of involvement further promotes faster adaptation to organizational change since it's participatory in its framework.

4.5.10 Recommendations for Participative Planning and Management at NBK

For effective application of participative planning at National bank of Kenya, the respondents recommended that suggestion boxes be provided for those who cannot air their views during planning meetings and that managers should be involved at a higher level at both strategic and policy levels. Another recommendation was that employees be represented in the top management decision making meetings and that all employees should be involved in review of programs that they have implemented.

CHAPTER FIVE

SUMMARY OF DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter will entail a summary of findings from the questionnaire items by employees and managers of National Bank of Kenya, a discussion of findings in regard to the literature review. Conclusions drawn from the findings in regard to the literature review and the objectives of the study. The recommendations drawn based on the outcomes of the study and suggestions for further studies.

5.2 Summary of Findings

The respondents under study were of two categories the management cadre and the employee under them. The questionnaire response and return rate was 95% for the management and 92 % for employees. Out of the 44 employee respondents under study, 77% were male while 83% male respondent represented the management. The findings revealed that majority of the employee respondents accounting for 50% were aged between 21-30 while the management respondents had the majority at 49% aged between 41-50 years. All employee respondents translating had acquired university level of education, while 66% respondents at the management level had a degree. Most of the employee respondents accounting for 75% have been in service for less than 5 years while those in management had the majority of 49% had served 11 to 15 years.

The study findings reveal that 84% of employee respondents were very satisfied with their jobs noting that they are permanent and pension able and further they have some benefits of car loans, mortgage facility and easy credit access. Most of the respondents noted that they aren't charged on commissions in their accounts. The respondents further noted that their employer, the NBK have other motivation aspects of in-service training which makes them relevant in the current banking industry requirements. The study further revealed that 95% were involved in the management of NBK at operational level while only 5% were involved in both operational and management levels of the bank.

The findings reveal that 84% of employee suggestions are forwarded to the top management for action and mostly their line manager for actions. The employees have ever experienced the bank face setbacks of strikes and mass action, court cases, bank employees being laid off, and a majority of 70% had witnessed closure of bank branches. The study finding shows that they face challenges of lack of coherence and continuity of the approaches that are used by their immediate supervisor such as handling and understanding in regard to interpretation and interpretation of execution of their ideas, lack of interaction with managers at policy level is a major challenge to junior employees due to rigid working hours and minimal interaction. The study findings revealed that 87% overcome challenges through committing themselves in executing measures put in place. The findings further revealed that 77% of the respondents noted that this intervention as successful. On countering challenge face in participatory planning and management a majority of 52% noted that the bank should conduct situational analysis to understand the work environment including job satisfaction.

The study findings revealed that there was training on participatory planning and management though the bank lacks a Department in charge of reviewing and harmonizing conflicting interests in participative planning and management. The study findings reveal that majority of the managers engage and normally involve employee in planning on performance planning and community work under the social and corporate responsibility like visiting the less fortunate in the society as well as vetting of the junior staff during recruitment. The study finding revealed that a majority of the respondents noted that and morale and productivity are moderately enhanced with their in participation in planning, The study findings reveals that majority of the manager were in agreement that there is a relationship between participative planning and coordination and a further 46% were of the opinion that to a great extent participative planning promotes coordination and teamwork. The impact on participative planning as a basis of decentralization of authority. The impact of participative planning as a basis of decentralization of authority was rated by 46% of the managers that somehow have an impact.

The support for the view that participative planning and management fostering decentralization process at National bank of Kenya was supported by 37% of the respondents. Participative planning and controls in an organization was highly regarded by employees noting that it enhances ownership, promotes discipline, enhances cohesiveness and promotes team work among the staff members and management, promotes understanding, enhances bonding between the employer and employee and brings forth consensus leading to smooth running of the organization. The study further revealed that there is impact attached to participative planning and effective control at National Bank of Kenya with 48% embracing the fact while 23% of the respondents would not attached anything to participative planning and effective controls at National Bank of Kenya noting that managements take control of all agency's decision. Participative planning process is beneficial in an organization since its all inclusive, promoting cohesiveness and unity among employees, enhances coordination, understanding and uplifted morale of employees and acts as a motivating factor. The study findings revealed that participative planning and controls in an organization enhances ownership of decisions, promotes discipline, and enhances cohesiveness and team work. Further the respondents were of the opinion that participative planning promotes understood between the staff and management since all decisions made are all inclusive. Also Participative planning promotes excellent bonding and understanding between the employer and employee bringing forth consensus leading smooth running of the organization and enhanced performance.

The impact attached to participative planning and effective controls at National bank of Kenya was noted by respondents that it devolves decision making to staff level creating harmony with managers, motivates employees to work with minimum supervision as well as promotes a balance between employee's private life and work environment. The respondents further noted that though participative planning takes time in decision making it provides democratic space where employees give their diverse contributions in opinions. Some respondents would not attach anything to participative planning and effective controls National bank of Kenya since the top managements take control of all

agency decision. The managers engage their staff in operational management level with only 37% of them engaging their staff at both operational and management levels.

5.3 Discussion of Findings

As noted by Bolle de Bal (1992a) different positions in the organization have different interests, and hence different perspective on the benefits and costs of providing direct participation mechanisms for employees. In general, reflecting the enduring dominance of the bureaucratic hierarchical model, participation and involvement in organizations is discussed as the way organizations set the context for and interact with employees through the decisions and actions of managers, who are assumed to have the authority to modify all aspects of the organization. This assertion is evident at NBK where the management only involve employees at operational level only in regard to performance planning and community work under corporate social responsibility.. Further employees suggestions are forwarded to the top management for action and mostly their line manager for actions. This has lead to lack of coherence and continuity of the approaches that are used by their immediate supervisor such as handling and understanding in regard to interpretation and execution of their ideas, lack of interaction with managers at policy level is a major challenge to junior employees due to rigid working hours and minimal interaction. Though these challenges are overcome through employee commitment in executing measures put in place.

According to Spriegel (2006) morale means the cooperative attitude or mental health of a number of people who are related to each other on some basis. A further meaning of morale may be taken as a readiness to cooperate warmly in the task and purposes of a given and purpose of a given group organization. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulations and orders and a willingness to cooperate with others in the accomplishment of organization's objectives. Poor morale is evidenced by cases of insubordination, discouragement and dislike of job or company. At NBK employee's morale and productivity are moderately enhanced with their participation in planning,

Coordination, according to Boydell (2005) requires unification of diverse and specialized activities. It is the task of blending the activities of individual and group efforts in order to maximize contribution towards the accomplishment of common goals. Coordination is required in group efforts, not in individual effort. It involves the orderly pattern of group efforts. There is no need for coordination when an individual works in isolation without affecting anyone's functioning. It has a common purpose of getting organizational objectives accomplished. Coordination should never be confused with cooperation because the two terms denote different meanings. Cooperation refers to the collective efforts of people who associate voluntarily to achieve specified objectives. It indicates the willingness of individuals to help each other. Coordination is much more inclusive, requiring more than the desire and willingness to cooperate. Coordination does not arise automatically from the voluntary efforts of people; rather it has to be through conscious and deliberate efforts of the manager. Cooperation facilitates coordination and provides a foundation for it. At NBK there was a major agreement that that there is a relationship between participative planning and coordination and teamwork. Participative planning and controls in an organization was highly regarded by employees noting that it enhances ownership, promotes discipline, enhances cohesiveness and promotes team work among the staff members and management, promotes understanding, enhances bonding between the employer and employee and brings forth consensus leading to smooth running of the organization. With a majority of the employees attaching a lot of impact on the same. This concurs with Boydell's assertion that coordination is required in group efforts, not in individual effort.

In centralized set up decision – making authority concentrates in a few hands at the top. Centralization is the systematic and consistence reservation of authority at central points in the organization. Decentralization implies greater powers to persons and places away from the centre. It also means that a greater number of important decisions will made at the lower levels without subject to prior approval of higher authorities. The degree of decentralization can be measured by the number of employees, the scope of duties and importance of decisions made at lower level including the amount of checking required. The type of authority delegated, the level to which it is delegated and how consistently it

is delegated, indicate the degree of decentralization. The impact attached to participative planning and decentralization at NBK devolves decision making to staff level creating harmony with managers, motivates employees to work with minimum supervision as well as promotes a balance between employee's private life and work environment. The respondents further noted that though participative planning takes time in decision making it provides democratic space where employees give their diverse contributions in opinions. The impact on participative planning as a basis of decentralization of authority and controls at NBK somehow had an impact but wasn't consistently applied due to the hierarchy of authority.

5.4 Conclusions of the Study

Though participative planning is one of the major aspects of decentralization in an organization the process is viewed with varying degrees of devolution of functions and finances to an organization. The objective of decentralization programs is usually to improve resource allocation and service provision by bringing decision making process closer to the employees in an organization. Participatory planning is part of the decentralization process and it aims to identify the critical problems, joint priorities, elaboration and adoption of a socio-economic development strategies. The use of participatory methods and tools has become common practice in the field. The process mainly involves: appraisal, needs identification, restitution, organization, planning, implementation and evaluation. As stated by Olthelen (1999), participatory planning is the initial step in the definition of a common agenda for development in an organization or local community and an external entity or entities. Thus inclusive approach is a vital aspect in regard to participative planning so that employees are involved in part and not in whole process of decision making. It is paramount to note that employees free part and parcel of an organization when they are recognized and appreciated for their contribution in the affairs of an organization. Policies are formulated and designed by technocrats but there is need to involve the implementers though their contribution to this process too through employee representation in policy making forums.

5.5 Recommendations of the Study

It is evident that participative planning plays a major role in organization day to day running and in order to boost this, the researcher recommends the following:

- Enhance delegation in which employees work on projects or tasks with considerable responsibility being delegated to them. This will not only promote team work but also cohesiveness in an organization. Further delegation of responsibility within the organization gives employees considerable responsibility because they are dealing with customers on a day-to-day basis often in novel situations. Such employees need to be trusted to make decisions for themselves.
- To have suggestion schemes for new ideas where employees are given channels whereby they can suggest new ideas to managers within the organization. This being a continuous process will not only promote services value addition but also promote ownership of organizations projects and activities. A reward should be given to those suggestions that are implement able.
- To have Consultative forum meetings whereby employees are encouraged to share ideas.
- Promote multi-channel decision making processes whereby decisions are not only made in a downward direction, they also result from communications upwards, sideways, and in many other directions within the organization.

5.6 Suggestions for Further study

Employees play a great role in the growth and performance of organizations and in order for them to sphere head this they need to be motivated. Though studies have been done on employee motivation, its impact on organization growth and performance has not been assessed. Thus there is need to conduct research on employee motivation and its impact on organization growth and performance. Further studies also need to be carried out on the impact of on-the- job training of employee and organization performance. This is importance to assess the impact bearing in mind that employers are investing a lot in training of employees while in job but the impact to organization performance is unclear.

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APPENDIX A:

MANAGERS' (SUPERVIORS') QUESTIONNAIRE

I, Andy Kimathi Mwilaria, a master's student at the University of Nairobi would like to conduct data on the factors influencing implementation of Participative Planning and Management Strategies in Financial Institutions. You are therefore kindly requested to give relevant information for the success of this exercise. The information provided will be kept confidential and will be purely used for research purposes only. Provided below are statements you can either give information by ticking and / or giving further information in the spaces provided.

PART A: DEMOGRAPHIC INFORMATION SHEET

1. Gender
Male
Female
2. Age:
(a) Below 20 yrs
(b) 21-30 yrs
(c) 31-40 yrs
(d) 41-50 yrs
(e) 51 and above
3. Your highest academic qualification
(a) University
(b) 'A' level (KACE)
(c) 'O' level (KCSE/KCE)
4. Your highest professional qualification
(a) Masters in business related studies
(b) Degree in business related studies
(c) Diploma in business related studies
(d) Certificate in business related studies
(e) Others. (Specify).....

5. Length of Service

- a) Less than 5 years { }
- b) 6-10 years { }
- c) 11-15 yrs { }
- d) More than 16 years { }

PART B

5. How are the employees engaged in the participative planning and management process at National Bank of Kenya?

.....

.....

6. To what extent has the process enhanced employees level of morale and Productivity?

- a) To a Great Extent { }
- b) To an Extent { }
- c) Moderately { }
- d) Not at all { }

7. Do you support the relationship between participative planning and management, and coordination?

- a) Strongly Agree { }
- b) Agree { }
- c) Neither { }
- d) Disagree { }
- Strongly disagree { }

8. To what extend does participative planning and management promote coordination and teamwork?

- a) To a Great Extent { }
- b) To an Extent { }
- c) Moderately { }
- d) Not at all { }

9. How would you rate the impact of participative planning and management as a basis for decentralization of authority?

- a) Extremely Important []
- b) Very Important []
- c) Somewhat []
- d) Not Very Important []

10. Do you support the view that participative planning and management foster decentralization process at National Bank of Kenya?

- a) Strongly Agree []
- b) Agree []
- c) Neither []
- d) Disagree []
- e) Strongly disagree []

11. In your opinion, how does the process facilitate controls in the organization?

.....

.....

12. What impact do you attach participation planning on effective controls at NBK?

.....

.....

13. At what level do you involve your employees in day to day running of your firm?

- (a) Operational level []
- (b) Management level []
- (c) Strategic level []
- (d) Policy level []

14. What are the benefits of applying the process in your organization?

.....

.....

15. What recommendations would you give regarding application of participative planning at NBK?

.....

.....

APPENDIX B
EMPLOYEE QUESTIONNAIRE

1. Gender

- Male { }
- Female { }

2. Age:

- (a) Below 20 yrs []
- (b) 21-30 yrs []
- (c) 31-40 yrs []
- (d) 41-50 yrs []
- (e) 51 and above []

3. Your highest academic qualification

- (d) University []
- (e) 'A' level (KACE) []
- (f) 'O' level {KCSE/KCE} []

4. Your highest professional qualification

- (a) Masters in business related studies []
- (b) Degree in business related studies []
- (c) Diploma in business related studies []
- (d) Certificate in business related studies []
- (e) Others. (Specify).....

5. Length of Service

- e) Less than 5 years { }
- f) 6-10 years { }
- g) 11-15 yrs { }
- h) More than 16 years { }

PART B

6. Are you satisfied with your job?

(a) Very satisfied []

(b) Satisfied []

(c) Not satisfied []

7. At what level does management involve you in day to day running of business in your firm?

(a) Operational level []

(b) Management level []

(c) Strategic level []

(d) Policy level []

8. How are employees suggestions handled in your firm?

.....
.....

9. Has your firm experienced any of the following set back?

(a) Strikes/mass action: Yes [] No []

(b) Court cases: Yes [] No []

(c) Layoffs: Yes [] No []

(d) Closure of branches Yes [] No []

(e) Lose employees to competitors Yes [] No []

10. What difficulties do you encounter while undertaking participatory planning and management initiatives?

.....

.....

11. How do you or the organization deal with these problems?

.....

.....

.....

12. Would you consider these interventions, (tick appropriately)

(a) Very successful, []

(b) Limited success, or []

(c) Not successful []

13. Does your organization conduct any training on participatory planning and management?

(a) Yes []

(b) No []

14. What would be your suggestions for solutions to the above problems?

.....

.....

15. Is there a dedicated department charged with the task of reviewing and harmonizing?

the various conflicting interests in the course of practicing participative planning and management?

(a) Yes []

(b) No []

APPENDIX C: MANAGEMENT'S INTERVIEW SCHEDULE

1. What is your opinion on participative planning and management?

.....

2. Does your firm have a policy on participative planning and management practices?

.....

3. Have you documented any benefits accruing as a result of embracing participatory methods and strategies in your routine operations?

.....

4. What challenges can be said to be present when executing participatory planning and management systems?

.....

5. What has been the reaction from the diverse groups of employees in relation to their level of hierarchy?

.....

6. Has the presence or absence of participatory tools significantly affected employee productivity and the general organizational performance?

.....

7. Do you conduct staff training on participatory planning and management methods?

.....

8. What mechanisms have you put in place to monitor the success of participative strategies?

.....

9. Has participative approach of management improved employee commitment, job satisfaction and employee retention?

.....

10. How often do you meet as members of staff to review the success or otherwise of the participative programmes?

.....

11. Do you believe embracing participatory planning and management strategies confer your organization a competitive advantage in doing business?

.....

THANK YOU

APPENDIX D: TABLE FOR THE DETERMINATION OF SAMPLE SIZE

Table for Determining Minimum Returned Sample Size for a Given Population Size for Continuous and Categorical Data

Population size	Sample size					
	Continuous data (margin of error=.03)			Categorical data (margin of error=.05)		
	alpha =.10 t=1.65	alpha=.05 t=1.96	alpha =.01 t=2.58	P=.50 t=2.58	P=.50 t=1.96	P=50 t=2.58
100	46	55	68	74	80	87
200	59	75	102	116	132	154
300	65	85	123	143	169	207
400	69	92	137	162	196	250
500	72	96	147	176	218	286
600	73	100	155	187	235	316
700	75	102	161	196	249	341
800	76	104	166	203	260	363
900	76	105	170	209	270	382
1,000	77	106	173	213	278	399
1,500	79	110	183	230	306	461
2,000	83	112	189	239	323	499
4,000	83	119	198	254	351	570
6,000	83	119	209	259	362	598
8,000	83	119	209	262	367	613
10,000	83	119	209	264	370	623

Table developed by Bartlett, Kotrlik, & Higgins.(2001)