A STUDY ON EMPLOYEE PARTICIPATION IN DECISION MAKING

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ABSTRACT

The objective of this paper is to test the influence of individual factors on employee participation in decision making (PDM) among Malaysian middle and top level managers in the private sector. The individual factors involved are trust, demographic similarities and idiocentrism-allocentrism. Leader-member exchange (LMX) is included as a moderating variable for the individual factor – PDM relationships. The relationship between PDM and organisational citizenship behaviour (OCB) is also tested with self-efficacy as the moderator. The individual manager is the unit of analysis and the sampling procedure involves self-administered questionnaire surveys on 333 participants. The results reveal that trust is the only individual factor that has an influence on PDM. Self-efficacy has a moderating effect on the PDM-OCB relation. However, LMX did not have any moderating effect. A major implication that emanates from this study is that the differing levels of PDM, which could be explained by, trust among the respondents.

KEY WORDS: Participation in Decision Making; Organisational Citizenship Behaviour; Leader-Member Exchange; Demographic Similarity

INTRODUCTION

In today’s turbulent environment and intense competition, firms are forced to seek ways to be more flexible, adaptive and competitive as they are faced with competitive pressures and rapidly changing markets (David, 2005). Above all, firms are discovering that people really are the most important asset (David, 2005). Success depends on involving the workforce’s entire capacity to generate new ideas and ways of working to outsmart the competitors. Employees must be involved if they are to understand the need for creativity and employees must be involved if they are to be committed to changing their behaviours in work, in new and improved ways. Employee involvement is one important aspect of organisational life to achieved increased organisational effectiveness and positive employee perceptions. Employee participation in decision making (PDM) is one of the many current forms of employee involvement in the workplace decision making. Managers are encouraged to allow a high degree of employee participation and autonomy, which are intended to increase workforce commitment and to humanise the workplace with the intention of improving work performance and good citizenship behaviour (Cohen, Chang & Ledford, 1997).

PDM is not new and its research can be traced back to several decades. Approaches such as PDM gained new prominence in the 1980s because American businesses faced new competitive challenges that demanded higher levels of performance (Paul et al., 2000). The individual factors that influence the existence of PDM is the main focus of this study. Such a study is useful in determining appropriate measures to be taken to increase or decrease certain factors that may increase or reduce the likelihood of PDM. This is important when PDM has been found to be
related to important outcomes that are particularly of interest to organizations and some of the recent findings from continuing research on the process and effects of participation justify further examination (Jabroun & Balakrishnan, 2000; Maree, 2000; Parnell & Crandall, 2003).

PDM has been fairly well researched in developed countries and one question that arises concerns the generalisability of these findings across cultures. Do the findings of these studies carried out in the Western culture also apply to the Malaysian culture? The study on culture by Hofstede (1991) revealed that Malaysians scored low on uncertainty avoidance, average on masculinity, quite high on collectivism and very high on power distance in relation to cultures. With the findings of Hofstede, practitioners may ask if Malaysian workers are culturally prepared to take on management techniques, such as PDM. However, this conception of the Malaysian culture is somewhat fading. There seems to be a tendency now, among Malaysian executives to portray such individualistic orientations, as indicated by several Malaysian studies (Ismail, 1988; Jabroun & Balakrishnan, 2000; Lunjew, 1994; Kaur, 1998, 1999; Tamam et al 1996; Zin, 1998). Therefore, two of the individual factors to be tested in this study include idiocentrism (individualism at the individual level) and allocentrism (collectivism at the individual level). The other individual factors are trust and demographic similarities.

Hence, this study aims to further shed some light on employee participation in Malaysian firms as there are signs of its existence within the Malaysian context.

OBJECTIVES OF STUDY

The overall objective of this study is to examine the extent to which individual factors influence PDM. The individual factors that are included in this study are trust, demographic similarity and idiocentrism-allocentrism. More specifically, this study attempts to examine the extent to which:

a) A relationship exists between each individual factor and PDM.
b) LMX moderates the individual factors and the PDM relationships, respectively.
c) Self-efficacy moderates the PDM and OCB relationship.

THEORETICAL BACKGROUND AND HYPOTHESES

The motivation content theories laid the foundation for the viewing of PDM relative to employee motivation. PDM, as it relates to a higher level needs, draws from theorists like Maslow, Alderfer, McClelland, and Herzberg as well as Douglas McGregor’s Theory X and Y that explicitly explains management’s view of employees and its impact. Useful frameworks for understanding employee motivation in the work place can be provided by reviewing contributions of the need theories developed by these theorists. In today’s modern organisations, these need theories imply that higher level needs are responsible for motivating people and interestingly, participating literature and research has identified PDM to satisfy these needs (Lunjew, 1994).

Trust and PDM

Trust is considered crucial for organisational effectiveness (Gomez & Rosen, 2001), hence interpersonal trust is at the heart of organisational coordination and control (McAllister, 1995). Many are in agreement that even when control is limited to the process of decision making, such as in having the opportunity to voice opinions, it is positively associated with trust in managers (Bauer & Green, 1996). Employees have greater control over decisions that affect them when managers involve them in decision making and, therefore, can protect their own interests. In
agency terms this form of control by employees reduces the risk of opportunism on the part of the manager.

When superiors are comfortable with the competence level of employees, there seem to be trust for the subordinates (Bauer & Green, 1996; Dienesch & Liden, 1986; Mayer et al., 1995; Whitener & Brodt, 1998) and trust has been seen to be highly correlated with participative styles of leadership (Klauss & Bass, 1982). Hence, trust has been identified as an individual factor that could influence PDM. However, there are very limited studies that have examined trust as a factor influencing PDM. Similarly, Zin (1998) highlighted in his study on participation among Malaysian professionals that any successful PDM programme must have a manager’s trust. Therefore, this study aims to examine this relationship and as such has included the following hypothesis:

H1: A relationship between trust and PDM exists.

Demographic similarity and PDM

Age, gender, race, tenure and education that make up the demographic characteristics of individuals, have long been considered important variables in psychological research (e.g. Tsui & O’Reilly, 1989). Tsui and O’Reilly’s (1989) reasoning for choosing demographics as a research topic is based on the notion that people tend to be drawn to those who are similar to them in terms of demographic characteristics, activities or attitudes (Bryne, Clore & Worchel, 1966). Research evidence has shown consistent though weak support for same-race (Kraiger & Ford, 1985) and same-gender (Mobley, 1982) bias on performance. Ratees were generally rated more favourably by raters of the same race and gender. Tsui and O’Reilly (1989) found that supervisor’s perception of subordinates’ effectiveness are associated with their affect toward the subordinates. The subordinates in mixed-gender dyads were reported as performing more poorly and were less favoured than the subordinates in same-gender dyads. Furthermore, higher levels of role ambiguity and role conflict were reported by subordinates in mixed-gender dyads.

Part of the focus of this study is to examine demographic influence on PDM. However, instead of the usual examination of gender or ethnic group on PDM, this study’s aim is to investigate the superior-subordinate gender and ethnic group similarity with PDM, respectively. Past research in Malaysia that focused on demographic factors and PDM includes Zin’s (1998) study for example, which found differing levels of PDM between the genders, while another unpublished research revealed no difference between males and females (Kaur, 1999). However, Kaur (1999) did find the Chinese respondents to have higher PDM levels than Malay respondents in one Japanese factory.

Considering the fact that Malaysia has one of the most diversified populations in terms of ethnicity, thus it would be interesting to investigate not just demographic factors but specifically look into the impact of superior-subordinate demographic similarity as factors influencing PDM. As indicated in the literature search, most positive outcomes seem to be related to superiors and subordinates who are demographically similar as compared to those who are not. Whether or not this holds in a Malaysian setting can be determined in this study. Thus, this study aims to examine the extent to which:

H2: A relationship between PDM and demographic similarity exists.

Idiocentrism and Allocentrism

Triandis suggested using the terms idiocentrism and allocentrism to replace individualism and collectivism at the individual level, respectively, in order to provide a clearer distinction between the country and the individual levels of analysis (Triandis, Leung, Villareal & Clark, 1985). In cultures where collectivism or allocentrism is high, participative management may not be effective until subordinates learn to expect it (Earley & Gibson, 1998). Individualists, on the other hand, stress personal freedoms as reflected in work participation, decentralised decision-making and
employee-centered incentive systems. In individualistic cultures, expectations about participation are more likely (Earley & Gibson, 1998).

Middle level managers in individualistic countries reported greater reliance on their own experience and their subordinates, whereas in collectivistic countries, middle level managers reported greater reliance on formal rules. In summary, individualists respond less favourably to authoritarian leadership and rely more on their own experience and their subordinates when making decisions than collectivists (Earley & Gibson, 1998).

Lam et al (2002) found support for the hypothesis that when a group is high on allocentrism and has high participation efficacy, perceptions of an opportunity for PDM will have a positive effect on the performance of the group. They also found perceptions of an opportunity for PDM to have a positive effect on the performance of the individual when the individual is high on idiocentrism and participation efficacy. Moreover, power distance in organisations has been found to influence PDM, which was reported in the study of management practices and national culture (Newman & Nollen, 1996).

This study aims to investigate if the same results will occur in Malaysia, a high power distance country, as claimed by Hofstede. Conversely, some research has indicated a tendency Malaysian managers today to portray some elements of idiocentrism, hence it is not surprising for Schwartz (1990) to establish that Malaysia has some features of individualism and is not a total collectivistic nation as initially described by Hofstede. Therefore, the empirical evidences of the preceding paragraphs form yet another hypothesis indicating:

H3: A relationship between PDM and idiocentrism-allocentrism exists.

Moderating Variables

According to Lam et al (2002), PDM has been the focus of organisational research for nearly 50 years. However, only equivocal conclusions can be drawn from existing research on the relationship between PDM and job performance. Some quantitative reviews have found moderately positive relationships between these variables while others have reported small or no positive effects. These inconsistent findings can be explained by the absence of other moderating variables even though these inferences about the main effects of PDM appear sound. Therefore, this study focuses on investigating two moderating variables on PDM, which are Leader-Member Exchange (LMX) and self-efficacy.

Leader-Member Exchange (LMX)

The Leader-Member Exchange (LMX) theory suggests that leaders may develop different types of relations from different members of the same work group. The theory depicts superior-subordinate relations as existing in a continuum ranging from high to low quality. As such, subordinates should be asked to participate in decisions affecting the work units in situations where they experience the reciprocal trust characteristic of high-quality changes with their immediate supervisors (Scandura et al, 1986). Two separate studies conducted found that subordinates with high LMX reported high levels of decision influence (Scandura et al, 1986). One interesting implication from Bauer and Green’s (1996) study suggests that managers may use increased levels of decision influence as a reward for performance already delivered by a subordinate. The trust-building logic is consistent with this pattern where increased decision influence is more likely to occur after the manager assured or subordinated is given trust. In sum, many have found preferential treatment accorded to subordinates when there is high LMX (Gomez & Rosen, 2001; Keller & Dansereau, 1995; Kozlowski & Doherty, 1989).

PDM has been presumed to derive its effectiveness through its ability to increase commitment and to reduce resistance to change, and that this ability originates in improved trust and a greater sense of personal control (Miller & Monge, 1986). Many (Dienesch & Liden, 1986; Gomez &
Rosen, 2001) suggest that trust is critical to LMX. Liden et al (1993) noted that individuals might assign a different set of characteristics to someone who is similar to them than to someone who is dissimilar on the basis of categorisations rather than actual observations when processing performance evaluation information. Supervisors may enhance individuals’ performance through increased support, encouragement or decision latitude (Dienesch & Liden, 1986). Several mechanisms may be working together to create this effect where similarity may enhance behavioural predictability (Meglino et al, 1991). Theoretically, these mechanisms are an important part of the superior-subordinate development process because (Lewis & Weigert, 1985) they can contribute to a growing sense of trust in the relationship (Dienesch & Liden, 1986).

Since individualistic cultures derive their identity from themselves and that individual accomplishment derives status, it would be more likely for employees high in idiocentrism to define their achievements and are expected to be self-sufficient (Kim et al., 1994). Even idiocentrics are bound to develop some relations with others at work, and what is of interest in this study is the relationship or exchange between individuals (be it idiocentrics or allocentrics) and their immediate superiors. Idiocentrics view an exchange with the immediate superior as an opportunity for self-enhancement, while a strong allocentric person will be “comfortable” if the relationship with the superior is with the group which is in line with the group’s goals (Earley & Gibson, 1998). Hence, it is assumed that strong allocentrics would have a low LMX on a dyadic level. Research has shown that high quality exchanges between superior and subordinate result in higher preferential treatment of the employee by the superior such as greater job autonomy (Kozlowski & Doherty, 1989) and more job latitude (Keller & Dansereau, 1995). Thus, with a high LMX, it is assumed that the idiocentric people will use this opportunity to better themselves for self-accomplishment.

Since allocentrics are expected to act in the group’s best interests, they would regard exchange with the superior with caution. If the LMX is viewed favourably by the group, the allocentric individual will favour the LMX and hence the exchange quality will be high. Conversely, if the LMX is viewed as unfavourable by the group, then the allocentric individual would avoid such an exchange. Thus, this study aims to examine the following hypothesis:

H4: LMX moderates the overall relationship between the individual factors and PDM.

Self-efficacy

The meaning of performance in this study is defined as extra-role, prosocial or citizenship behaviours of employees, which is more salient to the practitioner (Bateman & Organ, 1983). Citizenship behaviours are presumably valued by supervisors because they make their own jobs easier and free their own time and energy for more substantive tasks. Empirical experiments strongly support the contention that prosocial gestures are most likely to occur when a person experiences a generalised mood state characterised by positive affect (Bateman & Organ, 1983). Similarly, PDM also does have a strong relationship with affect states of the employee, as shown by many empirical evidence (Cassar, 1999; Lunjew 1994). This being the case, it is assumed that employees who participate in decision making and when the employee finds it rewarding to him- or herself, the employee would have positive mood states. Thus, it would be most likely that such employees would be willing to participate in future and would feel competent in contributing in the decision making process, hence enhancing his or her self-efficacy. This also creates a feeling of self-worth (Keller & Dansereau, 1995) as employees feel that management do really consider them to be of importance in the operation of the organisation. Hence, with such positive outlook from the employees towards the supervisor and organisation, the employee would be more willing to perform extra-role behaviours, thus increasing the likelihood of organisational citizenship behaviours (Bateman & Organ, 1983; Miles et al., 2002; Smith et al, 1983).

Morrison’s (1994) research supported her hypothesis that the more frequent employees interact with their supervisor, the more similarly the employee and supervisor will define the employee’s job responsibilities. This could be interpreted to mean that there would not be any role ambiguity or role conflict as the employees clearly knows what is expected of them. PDM can also provide
one form of interaction that creates an avenue for them to clarify any ambiguities or doubts about
the job, which can be assumed to build an employee's self confidence and competence in
performing the task. Thus, it could be said that the employee’s self-efficacy is increased and
research has proven that high self-efficacy individuals tend to accomplish goals required of the
job (Gist & Mitchell, 1992; Stajkovic & Luthans, 1998). This, in turn creates positive affect towards
the job, hence making it highly likely for the employee to contribute more – thus, creating extra-
role behaviours. Therefore, it is hypothesized that:

H5: Self-efficacy moderates the PDM-OCB relationship.

METHODOLOGY

Employees in the Malaysian private sector have been selected and the individual employee is the
unit of analysis for this study. As the purpose of this study is to examine PDM, individuals with
jobs that would allow them the opportunity to participate in decision making (Scott & Bruce, 1994)
were selected, hence, the selection of employees from the middle and top level management
staff.

Sampling Procedure

The sampling procedure performed was a purposive sampling. A pilot study was carried out, prior
to the actual survey, among 32 top and middle managers. Three questionnaires were sent to
each company requesting the top and middle managers to participate in this research. This
method of collecting data was suggested by the pilot group of managers that were interviewed,
as according to them, the rate of response would be higher as there would be a sense of
anonymity.

The questionnaires were posted to 1000 companies from the “Annual Ranking of Malaysia’s Top
1000 Corporations” (RAM-DP, 2003) directory. Three blank questionnaires with stamped and
self-addressed envelopes were posted to each company, accompanied by a cover letter that
requested the recipient to get three top and middle level managers from the said company to
complete the questionnaires. The completed questionnaires were then posted using the given
stamped and self-addressed envelopes. In total, 3000 blank questionnaires and envelopes were
posted to 1000 companies. The rate of return was 15.1%, whereby 454 questionnaires were
returned. However, 64 blank questionnaires were returned to the researcher while 57 cases that
had missing responses were dropped from the whole sample as they could not be corrected.
Hence, the sample size was reduced to 333 indicating a response rate of 11.1%.

Measurement and Instrument

PDM is referred to as the employees’ perceived involvement and influence in the decision making
process in an organisation that has a direct and indirect impact on their jobs (Lunjew, 1994). The
PDM questionnaire is adopted from Vroom (1960) and Lunjew (1994). The dimensions of PDM
were translated into five statements in the form of Likert scales. The trust items consist of the
extent to which the subordinate perceives that his or her superior will assess his or her beliefs
and intentions to act with regards to the integrity, competence, consistency, loyalty, openness
and respect shown by the subordinate towards the superior. The instrument comprised of 26
statements, adapted from Clark and Payne (1997), pertaining to their perception of their
superiors’ trust level toward employees. Actual similarity between the superior and the
subordinate was measured in terms of ethnic background and gender.
An individual's collectivist tendencies are based on the behavioural choices that favour group goals in situations where group and personal goals are in conflict. This was measured by using Yamaguchi’s (1994) Collectivism Scale that consists of 10 items. Seven of Schwartz’s (Schwartz & Bilsky, 1987, 1990) Individualist Value items were used to measure the respondents’ idiocentrism. Participation self-efficacy was used as a measure of self-efficacy in this study. Participation self-efficacy is known as a specific self-efficacy measure which was recommended by some authors (Stajkovic & Luthans, 1998). The six-item participation efficacy scale was adapted from Vroom (1960) – first four items out of the original five-item scale and the Personal Efficacy Beliefs developed by Riggs et al (1994) – last two items out of the original five-item scale. The items essentially ask individuals to indicate the degree of participation efficacy they have in their current jobs.

A nine-item scale was used to measure the subordinates’ perceptions of LMX (member-LMX). These items pertain to the superior’s understanding of the subordinate’s problems and needs as well as recognising the subordinate’s potential. The superior’s support for the subordinate in terms of helping the subordinate in work matters and bailing out the subordinate when needed. The LMX item also measured the effectiveness of the working relationship, the subordinate’s willingness to defend the superior’s decision and the satisfaction of the superior of the subordinate’s work. The nine items were summed to form the member-LMX composite and is an expansion of the seven-item scale used by Graen, Novak and Sommerkamp (1982), which has shown strong reliabilities in several studies. Two statements of the original scale were further broken down to four statements, hence making it a nine-item scale used in this study. OCB was measured by a 16-item statement developed by Smith, Organ and Near (1983). This instrument measured the extra-role behaviours of respondents.

**ANALYSES AND RESULTS**

**Respondent Profile**

Majority of the respondents are males, comprising 62.5% of the given sample. The demographic profile of this study’s sample shows that slightly more than half (56.5%) of the respondents’ gender is similar with their superior, while 43.5% were different. The ethnic composition of the sample was fairly distributed among the three main ethnic groups where the Chinese group was the majority (38.1%) followed by the Malays (31.5%), the Indian group comprised of 92 respondents (27.6%) and only 2.7% of the sample fell under the Others group. Less than 100 (29.7%) respondents come from the same ethnic group as their superiors whereas majority of the respondents (70.3%) have different ethnic backgrounds than their superiors. The age profile of the sample consisted of three categories. Most of the respondents (67%) belonged to the age group of between 41 to 50 years of age, while only 17% of the sample were above 50 years of age and more than 50 respondents aged between 31 to 40 years old. However, none of the respondents were 30 years and below, which is not surprising as the respondents are from middle and top management levels.

In terms of years of experience in the present company, over 150 (45.9%) of the respondents claim to have worked for five years or more but less than eight years in their current organisations, while 112 (33.6%) respondents have been working in their present company for more than eight years. Out of 333 respondents, 59 (17.7%) have worked for two years or more but less than five years in their present firms. Only nine (2.7%) respondents have been with their present company for less than two years. Majority (63.7%) of the respondents have a Bachelor’s degree and 24.9% of the respondents have a postgraduate degree. Only 9% of the sample has a certificate or a diploma qualification while the remaining 2.4% has qualifications up to the HSC or
STPM level. As for the job status, most (80.5%) of the respondents belong to the middle management level while the remaining 19.5% comprised top management staff.

Labels Used for Constructs

The following depicts the variable labels used in this study:

- **PDM**: Participation in decision making
- **OCB**: Organisational citizenship behaviour
- **EFF**: Self-efficacy
- **TRUST**: Trust
- **ALLO**: Allocentrism
- **IDIO**: Idiocentrism
- **LMX**: Leader-member exchange
- **GENDER**: Superior-subordinate gender similarity
- **RACE**: Superior-subordinate ethnic group similarity

Correlation

Pearson correlation was used for the seven-point interval scaled variables and two nominal scaled variables (GENDER and RACE). Results of the correlation tests indicated that PDM has significant and positive relations with OCB (.14, \( p < 0.05 \)), trust (.40, \( p < 0.01 \)) and LMX (.37, \( p < 0.01 \)), respectively. This suggests that as subordinates participate more in decision making, they will also increase their organisational citizenship behaviour, the superiors’ trust in subordinates will increase, and the exchange or relationship between subordinates and their superiors will increase as well.

However, only one significant relationship was found for the self-efficacy variable in which case it was related positively with OCB (.30, \( p < 0.01 \)). This result can be interpreted to mean that employees’ increase in self-efficacy or as employees’ belief in themselves increase, their citizenship behaviour also increase. Hence, employees with high self-efficacy tend to behave favourably towards their organisations.

Subordinates’ perception of their superiors’ trust in them was found to not only be related to PDM but also with LMX (.70, \( p < 0.01 \)). Thus, as employees perceive their superiors to have high trusts in them, they also tend to be highly participative (it may be that as superiors place their trust in their subordinates, these subordinates are given more chances for PDM). Idiocentrism had only one significant relationship and oddly enough, it was with employees who have the same ethnic background (.11, \( p < 0.05 \)) as their superiors. This means that employees who are similar with their superiors in terms of ethnic background tend to be more individualistic. The final significant relationship is between GENDER and RACE (.16, \( p < 0.05 \)). Hence, employees who are demographically similar with their superiors in terms of gender and ethnic background are related positively.

Testing of Hypotheses

The application of multiple and moderating regression analyses were used to test the hypotheses. Table 1 depicts the model summary of the step-wise multiple regression with five independent variables and PDM as the dependent variable. \( R \) square for the final model was 0.16 and adjusted \( R \) square was 0.15. The standard error of the estimate was 0.83 as the model included only trust as the significant variable and eliminated all the other four non-significant variables (ALLO, IDIO, GENDER)
The finding in Table 1 revealed that only trust was significant in the regression model. The analysis of variance (ANOVA) in Table 2 shows that the $F$ value of the model (60.59) was significant at the 0.01 levels, thus, indicating that the overall regression is significant. In other words, 15 percent of the variance ($R^2$) in PDM was significantly explained by trust. The coefficient of the step-wise regression, on the other hand, is displayed in Table 3. TRUST was significant at the 0.01 level.

### Table 1

**Model Summary of the Step-wise Regression between TRUST, ALLO, IDIO, GENDER and RACE with PDM as the Dependent Variable**

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Standard Error of the Estimate</th>
<th>$F$</th>
<th>DF1</th>
<th>DF2</th>
<th>Sig. $F$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.40a</td>
<td>.16</td>
<td>.15</td>
<td>.83</td>
<td>60.59</td>
<td>1</td>
<td>33</td>
<td>.00a</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), TRUST  
b. Dependent Variable: PDM

### Table 2

**ANOVA with TRUST and PDM as the Dependent Variable**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>DF</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>41.29</td>
<td>1</td>
<td>41.29</td>
<td>60.59</td>
<td>.00a</td>
</tr>
<tr>
<td>Residual</td>
<td>225.56</td>
<td>331</td>
<td>.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>266.85</td>
<td>332</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), TRUST  
b. Dependent Variable: PDM

### Table 3

**Coefficient Output between TRUST and PDM as the Dependent Variable**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>$T$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.70</td>
<td>.40</td>
<td>6.71</td>
</tr>
<tr>
<td></td>
<td>TRUST</td>
<td>.61</td>
<td>.08</td>
<td>.39</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PDM
Moderating regression analysis was employed in this study to determine the effect of LMX and self-efficacy as moderators. The model summary of the moderating regression analysis is shown in Table 4, with LMX as the moderating variable and PDM the dependent variable with TRUST, ALLO, IDIO, GENDER and RACE as the independent variables. Although the model in Table 4 produced a modest $R^2$ of 0.21, the overall model is statistically significant at the 0.01 level.

Table 4

Model Summary of the Moderating Regression Analysis between the Individual Factors and PDM as the Dependent Variable with LMX as the Moderator

<table>
<thead>
<tr>
<th>Model</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Standard Error of the Estimate</th>
<th>$R^2$ Change</th>
<th>$F$</th>
<th>Df1</th>
<th>Df2</th>
<th>Sig. $F$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.46†</td>
<td>.21</td>
<td>.18</td>
<td>.81</td>
<td>.21</td>
<td>6.05</td>
<td>14</td>
<td>318</td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Predictors: (Constant), LMX, RACE, TRUST, ALLO, IDIO, GENDER</td>
<td>b.</td>
<td>Dependent Variable: PDM</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The analysis of variance (ANOVA) in Table 5 showed that the $F$ value of 6.05 was significant at the 0.01 level. Thus, the results can be interpreted to suggest that 21 percent of the variance ($R^2$) in PDM was explained by the moderator, LMX.

Table 5

ANOVA between the Individual Factors and PDM as the Dependent Variable with LMX as the Moderator

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>Df</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig. $F$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>56.09</td>
<td>14</td>
<td>4.01</td>
<td>6.05</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>210.76</td>
<td>318</td>
<td>.66</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>266.85</td>
<td>332</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a.</td>
<td>Predictors: (Constant), LMX, RACE, TRUST, ALLO, IDIO, GENDER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b.</td>
<td>Dependent Variable: PDM</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Although the overall regression is significant, however, the coefficient of the individual factors indicates that none of these variables proved to be significant, as shown in Table 6. Thus, this means that LMX does not moderate any of the relationships between PDM and the individual factors.

Table 6

Coefficient Output between the Individual Factors and PDM as the Dependent Variable with LMX as the Moderator

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
</tbody>
</table>
Table 7 shows the model summary of the moderating regression analysis with EFF as the moderator while the dependent variable was OCB. The independent variable, on the other hand, was PDM. Table 7 displayed the regression as significant at the 0.01 level.

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Standard Error of the Estimate</th>
<th>R Square Change</th>
<th>F</th>
<th>Df1</th>
<th>Df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.32 a</td>
<td>.11</td>
<td>.264</td>
<td>.11</td>
<td>19.40</td>
<td>2</td>
<td>330</td>
<td>.00 a</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), EFF, PDM
b. Dependent Variable: OCB

The ANOVA in Table 8 displayed the F value of 19.40 significant at the 0.01 level. Hence, the result showed that 11 percent (R square) of the variance in OCB was significantly explained by the moderating variable, EFF, hence, EFF does moderate the PDM-OCB relationship. The coefficient values of PDM and EFF are shown in Table 9, which are significant at the 0.01 level, respectively.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2.71</td>
<td>2</td>
<td>1.36</td>
<td>19.40</td>
<td>.00 a</td>
</tr>
<tr>
<td>Residual</td>
<td>23.04</td>
<td>330</td>
<td>6.982E-02</td>
<td>6.982E-02</td>
<td>.00 a</td>
</tr>
<tr>
<td>Total</td>
<td>25.75</td>
<td>332</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), EFF, PDM
b. Dependent Variable: OCB
Table 9

Coefficient Output between PDM and OCB as the Dependent Variable with EFF as the Moderator

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised Coefficients</th>
<th>Standardised Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>5.66</td>
<td>.40</td>
</tr>
<tr>
<td>PDM</td>
<td>-.18</td>
<td>.08</td>
</tr>
<tr>
<td>EFF</td>
<td>3.672E-02</td>
<td>.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardised Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDM</td>
<td>-.18</td>
<td>59.45</td>
<td>.00</td>
</tr>
<tr>
<td>EFF</td>
<td>3.672E-02</td>
<td>5.64</td>
<td>.00</td>
</tr>
</tbody>
</table>

Dependent Variable: OCB

Summary of Hypothesis Testing

The summary of the results of hypotheses testing is shown/presented in Table 10. The correlation analysis found trust to be related to PDM. However, superior-subordinate ethnic group similarity and idiocentrism-allocentrism were not found to be related to PDM, thus, indicating that hypothesis 1 is supported, while hypotheses 2 and 3 are not supported. The results further showed that LMX does not have a moderating effect on the relationships between individual factors and PDM. Hence, hypothesis 4 is not supported. As for the second part of the model involving PDM, EFF and OCB, it was found that EFF does moderate the relationship between PDM and OCB. Thus, this means that hypothesis 5 is supported.

Table 10

Summary of Hypotheses Testing

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypotheses</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>A relationship between trust and PDM exists.</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>A relationship between PDM and demographic similarity exists.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H3</td>
<td>A relationship between PDM and idiocentrism-allocentrism exists.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H4</td>
<td>LMX moderates the overall relationship between the individual factors and PDM.</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Self-efficacy moderates the PDM-OCB relationship.</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Managerial Implications

The biggest challenge to superiors is to ensure that jobs provide the needs for employees. It is challenging to identify the types of higher order needs of employees as these reflect the true motivators, according to Herzberg. However, by providing the opportunities for employees to participate in the decision making process in their jobs, superiors can improve their chances of satisfying employees’ higher order needs. In the event of trying to fulfill some needs of the employees by applying PDM, this study has found a few expected and many unexpected results. As trust has been found to influence PDM in this study, social exchange theory supports this by explaining that sharing and delegation of control are social rewards, in the form of approval, trusts or respect that the manager grants to the subordinate. In turn, the employee’s trust in the manager is likely to increase the extent that the reward represents an initiation or escalation of exchange of social benefits between a manager and an employee. The employee’s trust in the manager increases especially when coupled with enhanced outcomes for the employee. In their theoretical review of the concept of trust, Whitener and Brodt (1998) assert that research on trust perceptions has indicated that sharing control, including PDM is a key component of trustworthy
behaviour. Thus, influences on perceptions of trust play a large part in the leader’s decision about allowing the member to participate in making decisions (Whitener & Brodt, 1998).

The non-significant relationships between PDM and demographic similarity (ethnic and gender similarity) suggests a lack of evidence to show that the respondents of this study provide PDM opportunity to subordinates who are similar with them. The ethnic and gender similarities between the superior and subordinate do not seem to be factors that determine or influence the superiors to grant PDM opportunities to their subordinates. This implies that managers in this study are not biased in terms of providing PDM opportunities to subordinates. Another interesting finding is the non-significant link between PDM and idiocentrism-allocentrism. This suggests that cultural orientations of the managers in this study are not linked to PDM. A possible explanation could be that a different cultural orientation is in existence, which coincides with the speed required of decisions in today’s competitive environment. The complexity of today’s business environment and the speed at which decisions are made to achieve results calls for a performance based culture that is flexible and agile. An emphasis on performance and competitiveness could be overshadowing any other previously held cultural orientations within the organization.

The significant effect of self-efficacy as a moderator in the PDM-OCB relationship is yet another finding of this study. One probable explanation for this is that middle and top level managers do view links between self-efficacy with PDM and OCB because they have confidence in their own ability to participate (Lam et al., 2002). Bandura (1997) is of the view that individuals who perceive themselves with high self-efficacy are likely to increase their efforts and exceed in their task, which could result in high performance. Being able to perform well would further increase a person’s self-belief as well as increase the likelihood of any opportunity for PDM. This is one probable explanation. Another probable explanation for the significant links between self-efficacy and PDM is that employees use it instrumentally to create situations that are more favourable to their effectiveness. High self-efficacy individuals will utilise PDM opportunities to achieve what they desire, whereas those with low self-efficacy may tend to become distressed when presented with such opportunities (Lam et al., 2002). Hence, individuals with high self-efficacy who react positively towards participation in decision making will be more likely to have favourable attitudes towards the organisation, making it highly possible for such individuals to behave prosocially towards his or her organisation. It could be that the respondents in this study are more inclined to involve themselves in decisions when opportunities to participate in decision making arise especially when they have the confidence in their own ability to participate. They are willing because they might be of the opinion that having more influence opportunities creates conditions in which they expect to succeed (Lam et al., 2002).

Lastly, PDM in the wake of a digitised era has its share of implications which deserve mention here. An earlier study by Kepner Tregoe, a management consulting firm, found three key attributes within an organization’s culture that best supports digital-age decision making. In surveying 479 managers and 339 workers in the US, Kepner-Tregoe isolated three attributes that distinguish them: speed as a corporate virtue, a passion for information sharing and a willingness to take risks – including the delegation of decision making (Wessel, 2001). According to Wessel (2001), managers are developing a new and integrated approach that combines technology with human resources so that decision making in their organisation is faster and better than ever. This suggests that more participation by employees is needed, provided employees are equipped with the relevant skill and expertise to make sound decisions.

Another more recent study has shown how information technology (IT) enabled a group of public sector employees in Papua New Guinea (PNG) to have more “voice in decision making and a greater opportunity to influence outcomes than they would otherwise have” (Mosan, 2005, p. 54). The respondents of Mosan’s (2005) study felt relatively empowered to help shape their organisation’s future that will benefit their nation. Thus, in a digitised environment, re-organising work roles such as increased employee participation (as the PNG case illustrates) and training for enriched job requirements are needed for successful technological changes (Mosan, 2005).
Limitation of Study

It is inadvisable to generalise this study’s findings to other settings indiscriminately due to the purposive sampling procedure adopted. Nevertheless, there are some practical implications drawn from this study that could be considered not only by managers in the private sector but also in other organisations in other sectors in Malaysia.

Relying solely on self-report data has its limitations, even though this study was meant to pursue the perceptions of top and middle level managers on all variables. However, gathering data from subordinates would have provided us with the difference or similarity of perceptions by both superior and subordinate. Nevertheless, this could prompt future researchers to look into investigating both the superior’s and subordinate’s perceptions on the variables of interest.

A methodological limitation of this study is the use of a cross-sectional research design that prohibits the definitive establishment of cause-and-effect relationships (Gomez & Rosen, 2001). Like all self-administered questionnaires, once the respondent receives the questionnaire, the questioning process is beyond the researcher’s control. Each respondent will attach a different personal meaning to each question even though the printed stimulus is meant to be the same. There is no interviewer present who can probe for additional information or clarification of an answer and the recorded answer must be assumed to be complete.

Future Research Suggestions

Far more questions than answers are being raised by participation research to date in spite of its fundamental importance as an organisational phenomenon. In light of the present work on PDM, a number of directions for refining this research area are suggested. In discussing the limitations of the survey research method in organisational studies, Babbie (1989) stated that there is a tendency to rely on gross models and extremely general measures of actual human behaviour when research on social processes is conducted using a large number of respondents. Hence, we are more susceptible to errors of improper interpretation or inference as we get further away from face-to-face interactions. In order to overcome this limitation, this study could be complemented by an exploratory study.

A qualitative nature of study can be carried out to determine the situation in relation to PDM in an organisational setting. Based on the understanding of fundamental behaviours in the organisation gained from this activity, survey instruments or interview schedules could be constructed and administered to the total sample. This type of methodology should improve the reliability of measures and the validity of conclusions.

The fundamental question in this study focused on the assessment of selected individual factors under which PDM can be effective. The assumption was made that PDM would take place among middle and top level managers of the private sector. Hence, several implications for future research are suggested. Rather than concentrate on the PDM process in the case of this study, researchers could expand their research horizons by focusing on participation in the different levels of decision making. Is participation necessary in all levels of the decision making process or only in a few? If so, what are they and why does it happen? Moreover, recent research has shown how participation is encouraged in this digitized age. This could be another avenue for further research, especially in the Malaysian setting.

Self-efficacy is another important area of research. Management scholars and even practitioners have eagerly embraced self-efficacy because of its applicability to work-related performances and organisational pursuits (Stajkovic & Luthans, 1998). As such, it would be interesting to test the extent to which this finding from the Western nations is applicable in Malaysia. In this instance, further work is required to establish factors that enhance as well as hinder the relationship between self-efficacy and work performance. For example, managerial distrust could be a factor that may reduce the magnitude of the relationship between self-efficacy and performance. This is
because managerial distrust may increase thoughts of failure and amount of stress and reduce coping mechanisms (Bandura, 1986), which can adversely affect the self-efficacy and performance relationship.
REFERENCES


organisational citizenship behaviour. *International Journal of Selection and Assessment, 10*(1/2), 51-57.


