

# Democratic Enterprise and Employees Innovative Ability of Chambers of Commerce and Ministry of Works in Asaba, Delta State

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**Abstract:** *This research looked at the impact of democratic entrepreneurship on employees' inventive abilities at chambers of commerce and the ministry of works in Asaba, Delta State. Employee consultation, involvement, and delegation are among the democratic enterprise measures investigated, as are their effects on employees' inventive abilities. A standardized 5-likert scale inquiry was used to solicit respondents' thoughts. A total of 103 copies of the questionnaire were distributed, of which 97 were returned and used for the study. Descriptive statistics of the minimum, maximum, mean, and standard deviation were used to evaluate the data acquired for the study. the hypotheses were investigated using spss version 23 and the pearson correlation coefficient statistical tool. The test results revealed that employee consultation, participation, and delegation have a significant impact on employees' innovative ability. The study suggests that improving employees' inventive capacity is a function of employee consultation, employee engagement, and delegating, as well as management's leadership style. Although the level of relevance varies, all of the variables have a significant impact on individuals' inventive capacity in the civil service. The study recommends that management make more efforts to encourage their employees to contribute to decision making and incorporate their views into organizational policy. Managers should allow increased levels of employee participation in decision making because they are in the center of operations and can contribute in work-related issues.*

**Keywords:** *democratic enterprise, employees innovative ability, employee consultation, employee participation and delegation*

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## Introduction

By analogy with political democracy, employees are entitled to a meaningful say in choices affecting the companies in which they work, according to the word democracy. The term is not used consistently because some employees argue that any system short of full employee control is a denial of industrial democracy, which the position was taken by union activists in the early decade of the century who advocated a form of guild socialism, which was a form of employee control of industrial organizations (Fejoh, 2015). Industrial democracy is understood to be synonymous with employee engagement in management, and it is a type of labor-management relationship. Industrial democracy in labor management relations thus means cooperation to determine and act, rather than equality of power, status, and or responsibilities, and industrial

democracy is said to be a function of good labor management relations, which depicts that good labor management relations tend to result in industrial democratization of a work organization (Fejoh, 2015).

The corporate climate of the twenty-first century is fast-paced and dynamic. Many firms are struggling with the big challenge of managing its workforce diverse workforce and challenge of making sure that despite these difference employees remain versatile on their jobs responsibilities (Orishede et al., 2023). Organizations are under strain as a result of fierce competition. As a result, firms must devise tactics to gain a competitive advantage. One such technique is employee participation in decision making. Employee engagement takes numerous forms and differs from one business to the next (Butali & Njoroge, 2018). According to Polston-Murdoch (2013), democratic leaders achieve higher employee performance than those who do not. Dess and Robinson have the same viewpoint (2010). Malik (2013) demonstrated that participative leader behavior is effective for achieving high employee performance because the leader consults with subordinates in goal setting, clarification, and achievement, and that there is a significant correlation between all four path-goal leadership styles and employee performance.

Democratic leadership include a leader's efforts to encourage and enable others' participation in making key choices (Yuki, 2010). In order to get decisions authorized and executed in organizations, it is frequently important to include others in the decision-making process. Democratic leaders not only guide group members, but also actively engage in the group and accept group members' input while making decisions and addressing problems. Given that no leader can be an expert in every topic, choices made in this manner are more effective and precise. The amount of power provided to others is determined by the manager's preferences and attitudes, as well as the nature of the choice being made (Dike & Madubueze, 2019).

Employee participation in management, according to Rathnakar (2012), is the participation resulting from practices that increase the scope for employees' share of influence in decision making at different tiers of organizational hierarchy with concomitant assumption of responsibility, as defined by the International Institute of Labour Studies. Employees who engage in workplace decision-making and experience genuine democracy are more likely to be productive and have better working relationships. A democratic firm is more likely to foster a cooperative attitude among management and employees. It is inevitable that workers performance improvement is something of direct interest only to management (Salami et al., 2022). In firms that allow for business democracy, the likelihood of industrial dispute and work stoppage is considerably minimized.

Democratic enterprise is about democracy in the workplace between management and employees, where they both make choices on all organizational, labor, and management relations concerns. As a result, the study aims to discover the link between democratic enterprise and employees' inventive abilities in public service.

## **1.2 STATEMENT OF THE PROBLEM**

The main barrier to employee engagement in decision making is management's reluctance to change. Managers establish an organizational culture that reflects their own management beliefs and practices, as well as reinforces their tactics and control. Employee engagement in decision making puts the more authoritarian management in jeopardy. Many managers are resistant to involvement because it goes against their habitual patterns of thinking and doing. In contrast to what is seen in Nigeria, the concept of democratic entrepreneurship is largely tolerated in Western

developed countries. The ownership structure, which is essentially related to who supplies the cash for the foundation of the organizations, has made it nearly impossible for employees in Nigeria to fully achieve industrial democracy. This has an impact on both public and private entities. Although contemporary management emphasizes the need of employee engagement in decision making, most commercial and public companies in Nigeria continue to operate under a traditional model in which decision-making is viewed as primarily the duty of top management. To the displeasure of other administrative and non-clinically certified staff, directors, for example, consider themselves as the natural management team of public service in Nigeria. This has been the cause of industrial strife and a lack of staff innovation in several government-owned public organizations in Nigeria. As a result, the purpose of this article is to investigate the consequences of democratic enterprise and the inventive abilities of Delta state public servants.

### **Research Objectives**

The objective of the study is to examine the effect of democratic enterprise on employees' innovative ability in Delta State Civil Service. The specific objectives are as follows:

- i. To examine the effects of employee consultation on employees' innovative ability.
- ii. To determine the effects of employee consultation on employees' innovative ability..
- iii. To evaluate the effects of delegation on employees' innovative ability.

### **Research Hypotheses**

The hypotheses of the study are as follows;

- i. Employee consultation has no effect on employees' innovative ability.
- ii. Employee engagement has no effect on employees' innovative ability.
- iii. Delegation has no effect on employees' innovative ability..

### **Review of Related Literature**

#### **Democratic Enterprise and Employee innovative ability**

The key characteristic of Democratic Enterprise is that employees participate in the organization's decision-making process. Democratic Enterprise implies integrating employees into the business and allowing them to participate in choices that impact them and the firm's operations. By this token, the servant-master relationship will be transformed into a partnership, which is intended to result in a better working relationship and enhanced organizational performance (Abolade, 2015). Most of the time, however, employees, particularly through their union, may use issues of participation and democracy as a tool of control, seeking any excuse to engage in aggressive confrontation with management, particularly where employees do not know what is expected of them in labor relations matters due to a lack of knowledge in labor education and questionable leadership. This is a negative supposed attribute and usage of democracy, which is believed to be a good tool for employee and management peace of mind since the organization is expected to function exceptionally well utilizing this all-important instrument (Abolade, 2015). Accordingly, Orishede and Bello (2019) add that the interactions among the employees and between employees and administrators are more positive and employees may be less sensitive to matters of interactional justice.

Democracy is the weaving of everyone since it allows an individual to be involved in matters concerning his life and well-being. The inability to participate in making decisions that influence an individual's life will have a detrimental impact on the person's outputs. Autocratic leadership that does not allow for democracy is no longer fashionable; instead, employee engagement for the success of the business and the employee is in vogue, and management should embrace this crucial instrument (Rathnakar, 2012). Employees' voices are contributed to management processes in any

business where industrial democracy is practiced, they participate in decision making, and management seeks their ideas. Employees are more inclined to contribute positively to a company that allows democracy in its operations because they are viewed as participants in development (Rathnakar, 2012). According to Robbins et al. (2008), managers in developed countries are being urged to be more democratic by allowing employees to participate in decision making and relying on group feedback in the business. Not all managers support this democratic shift; many appear to believe that by doing so, they will lose authority.

#### **Employee Consultation and Employee innovative ability**

Consultative engagement has the capacity to directly affect all employees in terms of their job duties, work structure, and working circumstances. Such involvement is heavily reliant on a voluntary management choice and might be considered HRM practices (Kuye & Sulaimon, 2011). Consultative engagement appears to have three primary effects on organizational success. First, workers who have consultative engagement opportunities can directly affect organizational performance by making ideas that lead to more efficient operations or higher product quality (Koech & Namusonge, 2012). Employees can contribute to greater labor productivity and process innovation by doing so. For dedicated employees whose personal needs conflict with traditional work hours, flextime can be a retention strategy (Orishede & Ndudi, 2020). Recent research supports the assumed relationships: Torka et al. (2010) discovered that direct participation is significantly related to affective organizational commitment. Meyer et al. (2002) found that this type of commitment has a strong influence on employee health and well-being, turnover, absenteeism, and task- and extra-role performance. These outcomes have an impact on organizational performance.

#### **Employee Participation and Employee innovative ability**

Participation has been characterized as a procedure that allows workers to have some say over their job and working circumstances, or, more tentatively, a process in which influence on decision making is shared between hierarchical leaders and their subordinates (Zohoori, 2008).

Employee engagement has evolved into a useful catch-all word for a wide range of forms and organizational strategies. It includes, for example, participatory management, workplace democracy, representative involvement, empowerment, quality circles, and employee ownership. Although each of these concepts has its own distinct characteristics, they all share the core idea that by allowing employees to participate in decisions that affect them and increasing their autonomy and control over their work lives, they will become more motivated, committed to the organization, and satisfied with their jobs (Wagner, 2004). Similarly, according to Felix et al. (2020), the rate change in the environment of the organisation is a vital factor in whether the structure is mechanistic (hierarchical) or organic (participatory) ‘

Employee participation might be classified as material or immaterial. Material involvement encompasses all types of financial (monetary) engagement of employees in the firm, such as a stake in the company's capital, profit, or gain, as well as other forms, such as stock options. Immaterial participation involves employees in information, coordination, and decision-making processes within the company; however, distinctions must be made between forms of legal co-determination at the board level and additional participation at the establishment level that is granted voluntarily by management, such as participative management, because employees share a significant amount of decision-making power with their immediate superiors (Chen & Aryee, 2007).

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### **Delegation and Employee innovative ability**

Delegation is defined as a higher level of engagement of subordinates in a continuum of decision procedures (Yuki, 2002). Although some research characterize it as a different set of decision-making techniques, others regard it as a sort of Participatory Decision Making (PDM). However, most contend that these are separate conceptions, showing that PDM is a method of power sharing while delegation is a method of power relinquishment (Leana, 2006). He observed that delegation "focuses on creating individual autonomy rather than engendering democracy, i.e. participatory procedures. "It is related with a method that gives individuals working in a hierarchical organization 'temporary authority' to make choices. Sagie and Koslowsky (2000) defined delegation as a new tasks to subordinates and the delegation of greater authority to carry them out." (Yuki 2002). In this vein, there is a need to establish priorities because of dwindling resources , priority listing can be achieved by formulating a set of criteria thereby assuring that rational allocation of scarce resources (Felix, 2020). According to Heller (2003), power distribution is a fundamental prerequisite for improving performance and satisfaction through employee engagement. For numerous reasons, intensity may play a role in the identification process: organizations may utilize their power to gain properties of social value, hence elevating the group's position in an organization.

### **Methodology**

The survey descriptive research design was employed in this study. The study employed a structured 5-Likert Scale questionnaire with a target group of 72 personnel from Delta State chambers of business and 67 staff from Delta State Ministry of Works. The entire population of both organizations' employees is one hundred thirty-nine (139), which serves as the study's population. The sample size for the study was calculated using Taro Yamane's formula, which is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size,

N = Population size,

e = level of precision

$$n = \frac{139}{1 + 139(0.05)^2}$$

$$n = \frac{139}{1.3475}$$

$$n = 103$$

The study's sample size is 103 participants. A sample size of 103 respondents was drawn using the stratified sampling procedure. The questionnaire tool was used to collect data. The researcher's responses were analyzed using the Product Moment Pearson Correlation Coefficient (r) and SPSS version 23.

## DATA ANALYSIS

The descriptive statistics of minimum, maximum, mean, and standard deviation were used to describe the measures of democratic enterprise, namely employee consultation, involvement, and delegation, and how these impact employees' inventive potential.

**TABLE 1:**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
EMPLOYEECONSULTATION	97	12	20	16.87	2.044
EMPLOYEEPARTICIPATION	97	12	20	16.12	2.142
DELAGATION	97	12	20	16.33	1.956
EMPLOYEEINNOVATIVEABILITY	97	11	20	16.24	2.009
Valid N (listwise)	97				

*Source: SPSS Version 23 Output, 2023.*

### **Employee Consultation**

Employee consultation had a minimum value of 12 and a maximum value of 20, resulting in a mean and standard deviation of 16.87 and 2.044, respectively, according to the descriptive statistics for the independent variable. This means that employee consultation varies greatly, which is mirrored in the variation in Delta State civil service employees' inventive capacity. **Employee**

### **Participation**

Employee involvement had a minimum value of 12 and a maximum value of 20, resulting in a mean and standard deviation of 16.12 and 2.142, respectively, according to the descriptive statistics for the independent variable. This means that employee engagement varies greatly, which is mirrored in the variety in employee inventive abilities in Delta State public service. **Delegation**

Delegation has a minimum value of 12 and a maximum value of 20, resulting in a mean and standard deviation of 16.33 and 1.956, respectively, according to the descriptive statistics for the independent variable. This means that delegation varies greatly, which is mirrored in the variety in Delta State public service employees' inventive capacity.

### **Employee innovative ability**

The average innovative ability of employees is 16.24, with a standard deviation of 2.009 and maximum and minimum values of 20 and 11, respectively. The large difference between the maximum and minimum number indicates that an employee's inventive capacity changes greatly throughout the course of the assessment period.



## Discussions of Findings

**Decision Rule:** the rule is that when  $p < .05$ , reject the null hypothesis and accept the alternate hypothesis.

### Product Moment Correlation Test

**TABLE 2:**

		Correlations			
		EMPLOYEECONSULTATION	EMPLOYEEPARTICIPATION	DELAGATION	EMPLOYEEINNOVATIVE ABILITY
EMPLOYEECONSULTATION	Pearson Correlation Sig. (2-tailed) N	1  97			
EMPLOYEEPARTICIPATION	Pearson Correlation Sig. (2-tailed) N	.432 .000 97	1  97		
DELAGATION	Pearson Correlation Sig. (2-tailed) N	.550 .000 97	.537 .000 97	1  97	
Employees innovative ability	Pearson Correlation Sig. (2-tailed) N	.378 .000 97	.339 .001 97	.399 .000 97	1  97

Source: SPSS Version 23 Output, 2023  
Correlation is significant at the 0.01 level (2-tailed).  
Correlation is significant at the 0.05 level (2-tailed).

### Employee Consultation and Employees innovative ability

The Pearson Association, as shown in table 2: above, demonstrates a substantial positive correlation with a coefficient (r) value of 0.378 between Employee Consultation and Employees' inventive capacity in Delta State public service. The P-value was 0.000, implying that Employee Consultation is significant to Employees innovative ability in Delta State civil service, as it is less than the accepted level of 0.05 of the 95% confidence interval, implying that the alternate hypothesis should be accepted and the null hypothesis rejected, implying that there is no significant relationship between Employee Consultation and Employees innovative ability in Delta State civil service. This suggests that increasing employee consultation might improve Delta State public servants' work habits. This is consistent with Dike and Madubueze's (2019) and Abolade's (2019) results (2015).

### Employee Participation and Employee innovative ability

The Pearson Association, as shown in table 2: above, demonstrates a high positive correlation with a coefficient (r) value of 0.339 between Employee Participation and Employees' inventive capacity in Delta State public service. The P-value was 0.001, implying that Employee Participation is significant to Employees Work Habit in Delta State civil service, as it is less than the accepted level of 0.05 of the 95% confidence interval, implying that the alternate hypothesis should be accepted and the null hypothesis rejected, which states that there is no significant relationship between Employee Participation and Employees innovative ability in Delta State civil service. This means that increasing employee participation will improve employees' ability to innovate in Delta State public service. This is consistent with Cross's (2019) and Butali and Njoroge's (2019) results (2018).

### **Delegation and Employee innovative ability**

The Pearson Association in table 2: above shows a substantial positive correlation with a coefficient (r) value of 0.399 between delegation and employees' inventive abilities in Delta State public service. The P-value was 0.000, implying that Delegation is significant to Employees innovative ability in civil service, as it is less than the accepted level of 0.05 of the 95% confidence interval, implying that the alternate hypothesis should be accepted and the null hypothesis rejected, implying that there is no significant relationship between Delegation and Employees innovative ability in Delta State civil service. This means that increasing delegation would improve Delta State public servants' inventive abilities. This is consistent with Dike and Madubueze's findings (2019).

### **Conclusion**

The study suggests that improving employees' inventive abilities is a function of employee consultation, employee engagement, and delegating, as well as management's leadership style. Although the level of importance varies, all of the main variables have a significant impact on individuals' inventive abilities in the civil service. Only a competent staff can participate in unlocking workers' potential by maximizing their skills and experience. According to the study's findings, a democratic enterprise has a strong relationship with employees' inventive abilities.

### **Recommendations**

- i. According to the study, employees should be given power over their responsibilities and rewarded for effective performance in order to boost the employee's inventive abilities.
- ii. Employees should progressively be given the authority to plan and make choices on connected topics. To promote teamwork and enhance team performance.
- iii. Management should make more efforts to encourage employees to participate in decision making and to incorporate their ideas into organizational policy.
- iv. Managers should be permitted to boost employee engagement in decision making since they are the hub of operations and may contribute to work-related concerns.

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