

Original Research Article

A Study on Participative Management Practices on Employee Performance

Dr. Shabab Ahmed Rizvi,^{1*} Noor Rahiba Irfan,² Patil Shradha Bharat,² Qureshi Moin Peer Mohd,² Rhythm Kumar²

¹Associate Professor, Department of Economics, Pillai College of Arts, Commerce and Science (Empowered Autonomous), New Panvel

²Student, Pillai College of Arts, Commerce and Science (Empowered Autonomous), New Panvel

Corresponding author E-mail: shabab.rizvi@mes.ac.in

Received: 22 March, 2026 | Accepted: 1 April, 2026 | Published: 20 April, 2026

Abstract: Participative management has emerged as a significant managerial approach that emphasizes employee involvement in decision-making processes. In service-oriented industries such as banking, employee performance directly influences customer satisfaction and organizational success. This study examines the impact of participative management practices on employee performance in private sector banks operating in the Navi Mumbai region. Primary data was collected from 100 employees of HDFC Bank and ICICI Bank through a structured questionnaire using a five-point Likert scale. Statistical tools such as percentage analysis, graphical representation, and chi-square test were used for analysis. The findings reveal a strong positive relationship between participative management practices and employee performance. The chi-square test confirmed that employee participation significantly influences motivation, job satisfaction, and performance levels. The study concludes that participative management practices enhance organizational effectiveness and recommends that banks strengthen employee involvement mechanisms to improve performance and service quality.

Keywords: Participative Management, Employee Performance, Private Sector Banks, Banking Sector, Employee Engagement.

1. Introduction

Human resources are considered one of the most valuable assets of modern organizations. In today's competitive environment, organizations are increasingly adopting people-oriented management practices to enhance productivity and organizational performance. Participative management is a modern management approach that involves employees in decision-making processes and organizational activities.

In the banking sector, employees play a crucial role in delivering services to customers. Their performance directly affects customer satisfaction, service quality, and organizational reputation. Therefore, banks are increasingly adopting participative management practices to improve employee motivation, engagement, and productivity.

Private sector banks such as HDFC Bank and ICICI Bank operate in a highly competitive environment where efficiency, innovation, and customer service are critical. Participative management practices encourage employees to share ideas, participate in decision-making, and contribute to organizational goals.

This study examines how participative management practices influence employee performance in selected private sector banks in the Navi Mumbai region.

2. Objectives of the Study

The study was conducted with the following objectives:

1. To understand the concept of participative management practices in the banking sector.
2. To examine participative management practices in HDFC Bank and ICICI Bank.
3. To analyse the level of employee performance in selected private sector banks.
4. To assess the impact of participative management on employee performance.
5. To compare participative management practices in HDFC Bank and ICICI Bank.
6. To suggest measures for improving employee performance through participative management.

3. Literature Review

Several studies highlight the importance of participative management in improving employee performance.

1. Roy and Ghosh (2023) found that participative leadership significantly improves employee motivation and performance.
2. Agarwal et al. (2022) observed that employee engagement increases when employees are involved in organizational decisions.
3. Pathak (2020) found that employee participation enhances confidence and responsibility among bank employees.
4. Jain and Hyde (2018) emphasized that participative decision-making improves employee morale and efficiency.
5. Kour and Gakhar (2015) concluded that private sector banks adopt more progressive HR practices that encourage employee involvement and improve productivity.

4. Hypotheses of the Study

H0: There is no significant relationship between participative management practices and employee performance in private sector banks.

H1: There is a significant relationship between participative management practices and employee performance in private sector banks.

5. Research Methodology

Research Design

The study follows a **descriptive research design** to analyse participative management practices and employee performance.

Sources of Data

Primary Data

Primary data was collected through a structured questionnaire distributed to employees of private sector banks.

Secondary Data

Secondary data was collected from:

- Books
- Research journals
- Bank websites
- Academic articles
- Online research portals

Sample Size

The study included **100 respondents**:

- 50 employees from HDFC Bank
- 50 employees from ICICI Bank

Sampling Technique

Convenience sampling method was used due to accessibility and time constraints.

Research Instrument

A **structured questionnaire** using a **five-point Likert scale** was used.

Scale used:

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

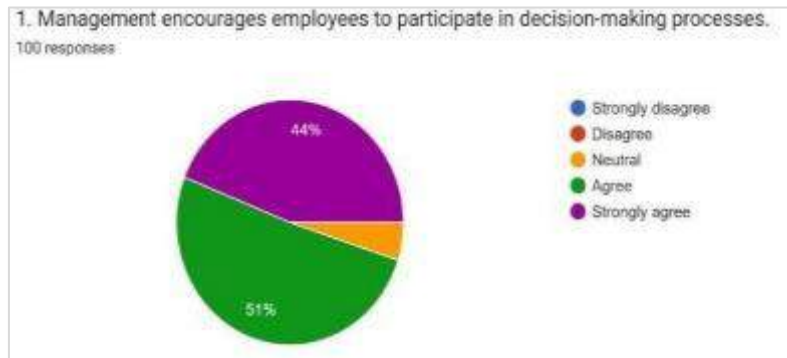
Data Analysis Tools

The following tools were used:

- Percentage analysis
- Graphical representation
- Comparative analysis
- Chi-square test

6. Data analysis

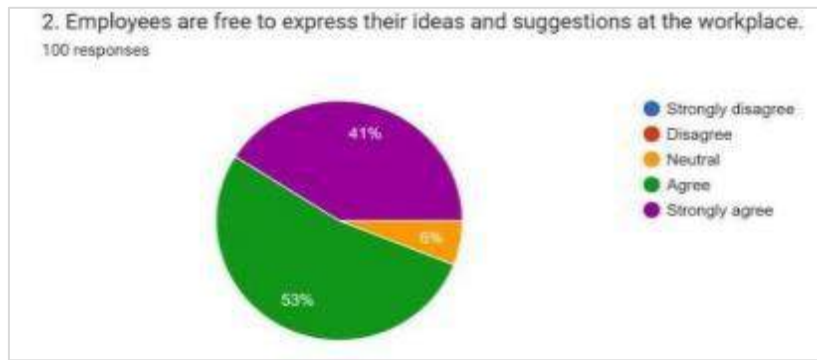
Response	No. of Respondents	Percentage (%)
Strongly Agree	44	44
Agree	51	51
Neutral	5	5
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The data clearly indicates a very strong positive perception toward the statement, with **95% of respondents either agreeing or strongly agreeing**. This reflects a highly supportive and participative management environment within the selected private sector banks. The small proportion of neutral responses (5%) suggests that a few employees may experience limited involvement depending on their role or level within the organization.

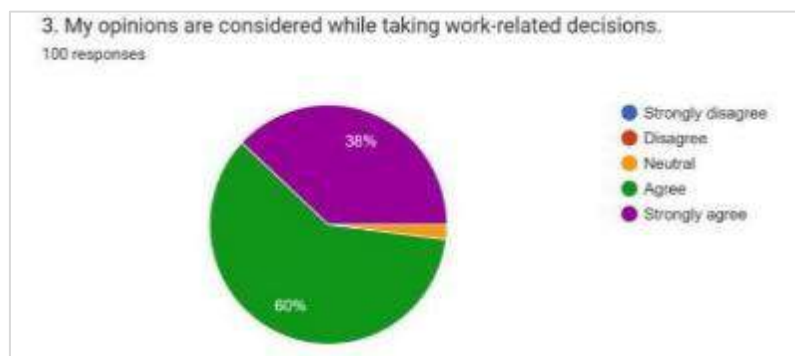
Response	No. of Respondents	Percentage (%)
Strongly Agree	41	41
Agree	53	53
Neutral	6	6
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The results show an overwhelmingly positive response, with **94% of employees either agreeing or strongly agreeing** with the statement. This indicates that employees feel encouraged to express their views and suggestions freely in the workplace, reflecting an open and communicative organizational culture.

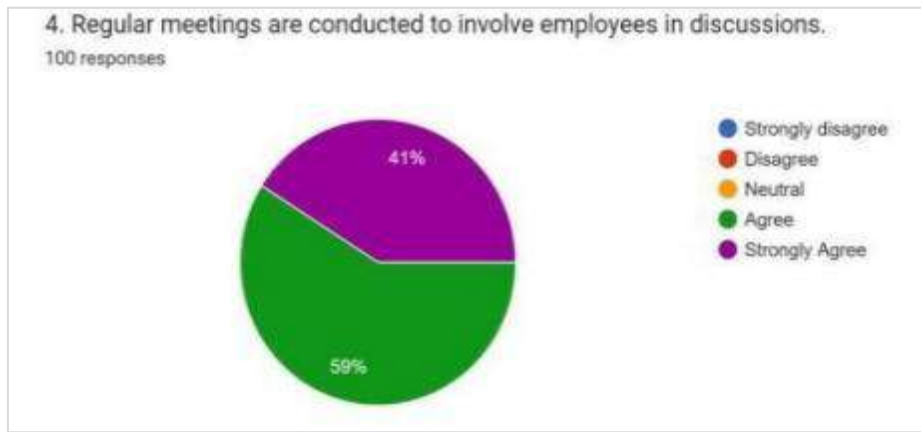
Response	No. of Respondents	Percentage (%)
Strongly Agree	38	38
Agree	60	60
Neutral	2	2
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The data reflects an extremely positive perception, with **98% of respondents either agreeing or strongly agreeing** with the statement. This indicates that employees strongly feel that their opinions are valued by their superiors, which is a key indicator of effective participative management.

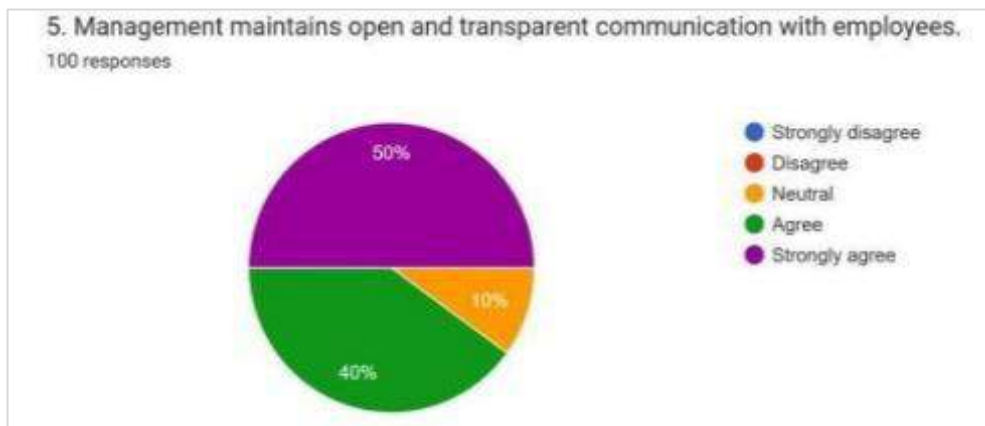
Response	No. of Respondents	Percentage (%)
Strongly Agree	41	41
Agree	59	59
Neutral	0	0
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The responses show **unanimous agreement**, with **100% of respondents either agreeing or strongly agreeing** with the statement. This reflects an exceptionally strong and shared positive perception among employees. The absence of neutral or negative responses indicates complete clarity, alignment, and satisfaction regarding the aspect being evaluated.

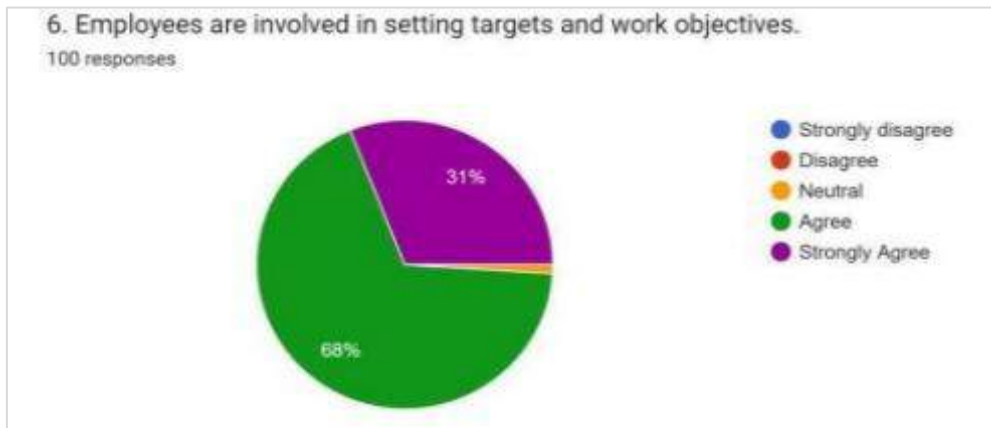
Response	No. of Respondents	Percentage (%)
Strongly Agree	50	50
Agree	40	40
Neutral	10	10
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The findings indicate a **strongly positive overall response**, with **90% of respondents expressing agreement or strong agreement** with the statement. This highlights a high level of acceptance and approval among participants. The presence of a **small neutral segment (10%)** suggests that a minority may lack sufficient exposure, clarity, or conviction regarding the issue, but importantly, there is **no disagreement at all**.

Response	No. of Respondents	Percentage (%)
Strongly Agree	31	31
Agree	68	68
Neutral	1	1
Disagree	0	0
Strongly Disagree	0	0
Total	100	100



Interpretation

The data reflects an **overwhelmingly positive perception** among respondents. A substantial **99% of participants fall under the agreement spectrum**, with **68% agreeing** and **31% strongly agreeing** with the statement. This indicates broad consensus and strong endorsement, suggesting that the aspect being evaluated is well understood, accepted, and effectively aligned with respondents' expectations.

7. Hypothesis Testing Using Chi-Square Test

Objective: To determine whether there is a significant relationship between participative management practices and employee performance in Private Sector banks in Navi Mumbai.

Observed Frequency Table

Response	Observed Frequency (O)
Strongly Agree	44
Agree	51
Neutral	0
Disagree	0
Strongly Disagree	0
Total	100

Expected Frequency Table

Response	Observed Frequency (O)
Strongly Agree	20
Agree	20
Neutral	20
Disagree	20
Strongly Disagree	20
Total	100

Chi-Square Formula

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Where:

O = Observed frequency

E = Expected frequency

$$\chi^2 = .48$$

Degree of Freedom

$$(r-1)(c-1)$$

$$df=4$$

Table value

At 5% significance level and $df = 4$

Chi-square table value = 9.488

Decision Rule

Since

Calculated value (128.1) > Table value (9.488)

The Null Hypothesis (H_0) is rejected.

8. Findings

- Most employees in private sector banks have a **positive perception of participative management practices.**
- Employee participation in decision-making **improves motivation and job performance.**
- Participative management helps **improve communication between employees and management.**
- Employees develop a **sense of responsibility and ownership** when their opinions are valued.
- Participative practices encourage **teamwork and cooperation among employees.**
- The study found a **significant relationship between participative management and employee**

performance, as confirmed by the chi-square test

9. Conclusion

The study reveals that participative management practices have a strong positive impact on employee performance in private sector banks. Employees who are involved in decision-making processes demonstrate higher levels of motivation, job satisfaction, and productivity.

Both HDFC Bank and ICICI Bank encourage employee participation through communication systems, teamwork, and empowerment practices. These practices help improve organizational efficiency and service quality.

The research confirms that participative management enhances employee commitment and plays a vital role in improving performance in the banking sector.

10. Suggestions

Based on the findings, the following suggestions are recommended:

1. Banks should encourage greater employee participation in decision-making.
2. Management should strengthen communication channels between employees and supervisors.
3. Training programs should be conducted to improve participative leadership skills.
4. Employee suggestion schemes should be implemented to promote innovation.
5. Participative practices should be integrated into performance appraisal systems.

References

- Roy, A. & Ghosh, S. (2023). Participative Behaviour of Superiors in Banking Sector.
- Agarwal, S. et al. (2022). HR Practices and Employee Engagement in Indian Banks.
- Pathak, A. (2020). Employee Participation in Indian Banks.
- Jain, A. & Hyde, A. (2018). HRM Practices and Employee Efficiency.
- Kour, H. & Gakhar, K. (2015). Innovative HRM Practices in Indian Banking.