



## PARTICIPATORY MANAGEMENT AND ITS EFFECT ON CUSTOMER LOYALTY IN HOTELS: A STUDY IN DELTA STATE

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### INTRODUCTION

**Abstract:** *The study examined the influence of participatory management on patronage in hotels in Asaba, Delta state. The specific objectives include to; to determine the influence of consultative management on patronage in selected hotel operations in Asaba, Delta State. To achieve the objectives of the study, survey design method was used. The researcher adopted primary source of data through the use of well-structured questionnaire. Data were analyzed using simple regression analysis. The findings revealed that (i) there is a significance relationship between consultative management and patronage in hotel operations in the study area, (ii) there is no positive association between quality circle and patronage in hotel operations in the study area, the study recommends that consultative management, quality circles are important participatory management practices and indeed affect patronage in hotel operations. The study also recommends that a framework that will successfully link patronage with joint decision making and attitude surveys should also be incorporated.*

**Keywords:** *Participatory Management, Consultative Management, customer patronage*

Patronage is the sole target of every enterprise. Consumer patronage has however been described as the concept of repeat purchase behaviour, which can be regarded as some degree of repetitive purchase of the same brand by the same buyer (Zeithaml, 2000). Patronage is tied to competitiveness, profitability and even survival of an enterprise. It is therefore an important issue in a contemporary business world. Patronage (level of patronage per time period) becomes even more important in hospitality industry in general because of the nature of the services offered which are perishable and cannot be stored and which becomes effectively lost once not rendered within a particular time period. In other words, the perishable nature of hotel services makes the issue of ensuring

constant patronage a front burner issue (Baron, 2017). Globally, patronage remains a treasured advantage to achieve output, efficiency and value in giving taste to performance (Gabcanova, 2011). In describing patronage indicators, Lee and Sukoco (2017) propose that patronage is a dynamic concept and separately every patronage degree is important regardless of the parameters used to measure it. According to Hitt, Ireland, Camp and Sexton (2011) patronage is the building block of an operation

irrespective of its scope and the lone element converting resources into goods and services to offer a competitive advantage.

As numerous organizations cope with encounters to entice participatory management, it is important that directors and executives use variety of participatory approaches to realize patronage (Kombo & Oloko, 2014). Participatory management is management style positively associated with high level of job satisfaction. It is based on the involvement of employees in decision-making, problem-solving in the company and empowering employees, as well as supporting their high autonomy, own initiative and creativity.

According to Mwita (2012) almost all participatory management packages which affect patronage are executed through supervisors who deliver the practices. Kuvaas (2014); Sofijanov and Chatleska, (2013), observed that an operation that embrace participatory approaches in executing its programmes becomes stable since projects are efficiently done through a range of stake holders by provision of solutions which enhances patronage. American consultants and academicians are adopting foremost theories of human resource that are geared towards promoting patronage practices in their organizations (Kim & Wright, 2010).

In Europe managers emphasize and encourage participatory management (Amirinia and Amiri, 2015). Grant (2012) observes that discussions on workers' participation in policy formulation began far back in 1974 in the British labour movement where workers demanded consultation on issues affecting their lives. In many countries with graded cultures such as China, Germany, India, and Turkey participatory management are repressive since the concluding resolutions rest with the top management (Abdulai, 2014). In Sweden for instance, participatory management authority is decentralized and regionalized through delegation (Wright, 2013).

In the Nigeria context, access to quality services and customer retention requires stakeholder's participation (Muchiri, 2012). Consequently, hotel operations need to progressively embrace participatory management strategy to increase patronage (Boeddeker, 2011).

The few studies reviewed have demonstrated a tendency of ignoring the patronage in service segment since a big number of the studies focused on the manufacturing sector. It is imperative therefore to carry out a study in hotel operation bordering on service delivery model hence this study.

The management practice in hotel operations demands that hotel owners/management anticipate that workers will do the work that is put before them. In ideal situation, employees are known for idea generation and it has been argued that participating in employee decision making boost commitment, spirit and enthusiasm discharging official duties. Organization performance is achieved through concerted efforts of committed employees who review and embrace the organization's mission and direct their actions towards promoting its goal. Again, management support and organizational structure influence employee commitment.

Conversely, organizational ability to support employee participation in decision making has positive influence on productivity. However, it has been observed that in practice hotel operations in the study area encourage employee participation in decision making. When staff members are not supported or motivated to partake in decision making process, their commitment, morale and enthusiasm on the job will drop which leads to lower productivity. In most cases decision making in hotels in the study area is an exclusive preserve of hotel owners/ managers. This practice denies the organization the opportunity

of harnessing the full potential of their staff in terms of contributing during decision making. This is believed to affect the commitment of the staff such that productivity is impacted.

According to Mawia (2017) irrespective of the cumulative gains got from rising participatory initiatives the inquiry whether participatory management practices actually improve patronage still remains unclear. Experimental investigation done in developed countries such as United Kingdom, Indonesia, Ghana by Elnaga and Macky (2010), Amirinia and Hamed (2015) and studies carried out in Kenya by Mutai (2015) and Orwar (2016) revealed that participatory management has a statistically positive association with employees' performance. The studies show insufficient structures about participatory management on patronage. In addition, the studies focused on crosscountry sector level. None of them focused on the hotel operations making it difficult to generalize the findings dearth of empirical literature in this area particularly in hotel operation indicate that this area is under researched.

Preceding studies (Elnaga 2010; Amirinia 2015; Mutai 2015; Orwar & Oloo, 2016) did not find enough evidence to link participatory management and patronage since they looked at direct participatory practices only. This has created a knowledge gap dilemma. It is essential to fill the void by considering a study capturing diverse participatory initiatives to cover both knowledge and conceptual gap.

Research on participatory management such as those of Ezennaya (2011); Mutai and Shivange (2011); Mutua and Namusonge (2012) were done in other sectors of economy and failed to explain the situation in the hotel operations. The current study looked at the relationship between participatory management and patronage focusing on hotel operations to address the contextual gap.

### **Objectives of the study**

The main objective of the study is to determine the influence of participatory management on patronage in hotels in Asaba, Delta State Nigeria. The specific objectives are:

- (i) To determine the influence of consultative management on patronage in selected hotel operations in Asaba, Delta State.
- (ii) To determine to what extent that quality circle influence patronage in selected hotel operations in Asaba, Delta State.

### **METHODOLOGY Research Design**

For the purpose of achieving the objectives of the study, survey research design was used through administration of questionnaire and personal interview. The population of this study is made up of seven hundred and fourteen (714) top management, middle management and lower-level staff of the selected registered hotel operations in Asaba, Delta State. The sample size of the study is 278 top management, middle management and lower level staff using Watson Jeff (2001) formula. The simple descriptive statistics such as frequencies, percentage, mean and standard deviation was used to analyze respondents' personal data and research questions while regression analysis was used to test the hypotheses. Based on research questions, mean value above or equal to 2.5 is acceptable for 4-point rating scale. Based on the hypotheses, the p-value less than 0.05 is significant while p-value greater than 0.05 is not significant.

### **RESULTS AND DISCUSSIONS**

**Question 1:** What influences has consultative management on patronage in hotel operations in the study area?

**Table 4.1: Mean responses of respondents on the influences of consultative management on patronage in hotel operations in the study area**

S/N		SA	A	D	SD	Total no	Total score	Mean	Remark
1	Individual supervisor considers attitude surveys outcome always	125	60	35	6	226	756	3.35	Accept
2	There exists information sharing during meetings with my supervisor	75	43	100	8	226	637	2.82	Accept
3	Employees regularly use suggestion plans in this organization.	50	60	75	41	226	571	2.53	Accept
4	Employee attitude surveys in this organization are regarded highly in this organization.	142	58	20	6	226	788	3.49	Accept
5	Supervisor are always ready to listen to the juniors' views and proposals	150	50	20	6	226	796	3.52	Accept
<b>Grand Mean</b>								<b>3.14</b>	

The result from table 4.2 above shows the influences of consultative management on patronage in hotel operations in the study area. The results showed that individual supervisor considers attitude surveys outcome always, there exists information sharing during meetings with supervisors, employees regularly use suggestion plans in the organization, employee attitude surveys in the organization are regarded highly in this organization and supervisor are always ready to listen to the juniors' views and proposals. All the listed items have mean value greater than 2.5 (which is the criterion mean). This implies that the above listed variables are influences of consultative management on patronage in hotel operations in the study area. This was accepted with a grand mean of 3.14 which was more than the acceptable level of 2.5.

**Question 2:** To what extent does quality circle influence patronage in hotel operations in the study area?

**Table 4.2: Mean responses of respondents on the extent does quality circle influence patronage in hotel operations in the study area**

S/N		SA	A	D	SD	Total	no	score	Remark
1	I share responsibilities with my colleagues who are quality circle members in my department.	163	40	20	3	226	815	3.61	Accept

2	The top management has laid down supportive policies to promote quality circles.	124	52	20	30	226	722	3.19	Accept
3	My relationship with me work group is better than it has been in the past.	27	35	78	86	226	455	2.01	Reject
4	Members of the circles meet as a group to foster our circle efforts.	100	50	26	50	226	652	2.88	Accept
5	My relationship with me work group is better than it has been in the past.	87	75	41	23	226	678	3.00	Accept
<b>Grand Mean</b>								<b>2.94</b>	

The results from table 4.3 above shows the extent does quality circle influence patronage in hotel operations in the study area. The results shows that staff share their responsibilities with my colleagues who are quality circle members in my department, the top management has laid down supportive policies to promote quality circles, current relationship with workers group is better than it has been in the past, members of the circles meet as a group to foster our circle efforts and workers relationship with the work group is better than it has been in the past. This is evidenced to the fact that all the listed variables have mean values greater than the acceptable mean of 2.5.

#### Test of Hypotheses Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.991 <sup>a</sup>	.982	.981	.14781

a. Predictors: (Constant), DEMOCRATIC MANAGEMENT, QUALITY CIRCLE.

#### ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	255.198	5	51.040	2336.021	.000 <sup>b</sup>
Residual	4.807	220	.022		
Total	260.004	225			

a. Dependent Variable: PATRONAGE

b. Predictors: (Constant), DEMOCRATIC MANAGEMENT, QUALITY CIRCLE.

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.030	.043		-.694	.489
CONSULTATIVE	.507	.040	.490	12.787	.000
MANAGEMENT	.009	.025	.008	.373	.710
QUALITY CIRCLE					

a. Dependent Variable: PATRONAGE



The table above shows the result of the multiple regression analysis of the influence of participatory management on patronage in hotels in Asaba, Delta State Nigeria. Participatory management was used as independent variables while patronage was used as dependent variable. Based on the table above the R square has the value of 0.982 which means that 98.2% variation in customer patronage is explained or caused by explanatory variables (consultative management) in hotels. The remaining 1.8% is a result of error in variable or other variables not captured in the model. The high value of these explanatory variables indicates that there is high level of participatory management in hotels in Asaba, Delta State. The adjusted R-square is 0.981 which means that there is 98.1% influence of participatory management on customer patronage in hotels. This result implies that consultative management is the major factor that determines customer patronage in hotels.

Consultative management has the coefficient of 0.507. This implies that 1% increase in consultative management will lead to 0.507% increase in customer patronage in hotels.

Quality circle has coefficient value of 0.009. This implies that 1% increase in Quality circle, will lead to 0.009 increase in customer patronage.

### **Test of Hypotheses Hypothesis one**

$H_{01}$ : There is no significance relationship between consultative management and patronage in hotel operations in the study area.

**Decision rule:** If the probability of the F-statistic obtained from the result is less than 0.05 (5%) level of significance, the study would reject the null hypothesis, ( $H_0$ ) and accept the alternative hypothesis, ( $H_1$ ).

The t-statistic with 12.787 has probability of 0.0000% level of significance. Since the probability of the t-statistics is below 5% level of significance, we would reject the null hypothesis,  $H_0$  and therefore conclude that there is a significance relationship between consultative management and patronage in hotel operations in the study area.

### **Hypothesis two**

$H_{02}$ : There is no positive association between quality circle and patronage in hotel operations in the study area.

**Decision rule:** If the probability of the F-statistic obtained from the result is less than 0.05 (5%) level of significance, the study would reject the null hypothesis, ( $H_0$ ) and accept the alternative hypothesis, ( $H_1$ ).

The t-statistic with 0.373 has probability of 0.710% level of significance. Since the probability of the t-statistics is greater than 5% level of significance, we would accept the null hypothesis,  $H_0$  and therefore conclude that there is no positive association between quality circle and patronage in hotel operations in the study area.

### **CONCLUSION AND RECOMMENDATION**

The study examined the influence of participatory management on patronage in hotel operations in Asaba, Delta State. Particularly, this study examined the influence of consultative management, on patronage in hotel operations. The shift to Participatory management in the workplace is both inevitable and necessary. Therefore, the readiness of manager to utilize participative approaches to decision making mainly out of pragmatic motives to achieve valued organizational results. The result revealed that participatory management influence patronage. There are different empirical studies relating to this research topic for example Kelechi, Lazarus and Ebere (2019) explored the influence of

participative decision making on patronage in the hospitality industry and identified positive relationship between leader behavior and patronage in the selected hotels, Fitsum (2018), examined the Factors Influencing participatory management and patronage, the results shows that there is a positive and significant relationship between motivation, training, working conditions and patronage, Nemi (2018), carried out a study on employee participation in decision making and patronage in hotel operation.

### **Recommendations**

Based on the study, the following recommendations were made:

- (i) The study recommends hotel operations in Asaba to engage more in these practices as participatory management positively and significantly influence patronage.
- (ii) The management must safeguard the objectives of the organization to make sure they are linked to employee's needs. This can be achieved through involving employees in quality administration, personnel representation through selection of coworkers to the management board.
- (iii) Among consultative management indicators, the study established that increasing employee's attitude surveys, information sharing during meetings, joint problem solving, focus on juniors' views and proposals, material information interchange, methods to advance group's production and open discussion of employee career development results to an increase in patronage.

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