



# **Workers' Participation and Firm Performance in Lagos and Ogun States' Internal Revenue Services, Nigeria**

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## **Abstract**

The objective of the study is to examine the effect of workers' participation on firm performance in Lagos and Ogun States' Internal Revenue Services. Survey research design was used for the study. Data was collected through the use of questionnaire. Sample size comprised of 128 workers in Lagos State Internal Revenue Service and 95 workers in Ogun State Internal Revenue Service head offices at Ikeja and Abeokuta. Simple random sampling technique was used for the study. Descriptive statistics was used to analyze the respondents' biodata while multiple regression analysis was used to test the hypotheses formulated. Findings of the study revealed that workers' participation (autocratic participation, consultative participation and delegative participation) had no combined significant effect on tax administration in Lagos State Internal Revenue Service. Autocratic participation, consultative participation and delegative participation had combined significant effect on tax administration in Ogun State Internal Revenue Service. Autocratic participation, consultative participation and delegative participation had combined significant effect on tax inspection in Lagos and Ogun States Internal Revenue Services. Autocratic participation, consultative participation and delegative participation had combined significant effect on tax conformity in Lagos and Ogun States Internal Revenue Services. The study concluded that workers' participation in decision making did not bring about efficient tax administration in Lagos State Internal Revenue Service. Workers' participation brought about efficient tax administration in Ogun State Internal Revenue Service. Management's decision to involve workers in decision making in Lagos and Ogun States' Internal Revenue Service firms will motivate workers to always examine the tax report of individuals and businesses effectively and also encourage them to generate sufficient revenue needed by the government to enhance the social and economic development of their states and the nation as a whole.

**Keywords:** Workers' Participation, Autocratic Participation, Delegative Participation, Tax Administration, Tax Conformity

## **Introduction**

Organizations have no choice but to look for ways to be more flexible, adaptive, and competitive in today's volatile business climate because they are challenged with competitive pressures and fast changing markets (David, 2005). Every company in the world understands that its employees are its most precious and crucial resource. The time, effort, knowledge, and

skills that an organization's employees put into making sure that it quickly reaches its goals and objectives determine how successful the organization will be. Additionally, a company's ability to provide fresh concepts and more efficient methods of operation is crucial to its success in order to give it an advantage over rivals in the industry or market to which it belongs. Any firm that wants to be more creative and inventive

must allow workers the opportunity to participate in decision-making on all matters that may have an impact on the workplace. Workers' participation is therefore a crucial aspect of organizational life that is required to increase an organization's effectiveness (Dede, 2019).

Okechukwu and Hilda (2014) asserted that once staff members are willing and dedicated to reaching organizational goals, productivity inside the company can grow. Employees' willingness and dedication to their jobs will be evident if they are given the opportunity to take part in organizational decision-making and other activities. Therefore, all workers must be treated fairly by involving them in decisions that affect them and the business as a whole in order to win their loyalty and excellent performance at work. By soliciting the thoughts, ideas, and suggestions of employees and managers on how the business may move forward consistently, workers' participation in decision-making has been viewed as a significant managerial technique for enhancing organizational performance. Encouragement of employee participation in the formulation of the mission statement, the creation of policies and procedures, compensation determination, promotion, and other company-related concerns can help to achieve this. Employee voice, which many management scholars have noted to be a developing management idea, is seen as one of the key components of employee engagement in decision making, which has grown in importance in the field of human resource management (HRM) (Ojokuku & Sajuyigbe, 2014).

In the modern business environment, managers must give employees' skills, talents, and intellectual capacity more consideration, cultivate and maintain long-lasting relationships with them by involving them in decision-making and looking for their suggestions on how the company can advance more, in order to gain a competitive advantage and stay ahead of rivals (Okiomah, 2020). Employee engagement, dedication, morale, support, and productivity at work are all boosted by employee involvement in decision-making. Workers are motivated to improve their performance in the future when they realize that their suggestions and

recommendations have been successfully incorporated or put into practice. These people view themselves as essential to the company and as valued employees rather than as unnecessary workers (Management Study Guide, 2016).

Despite the increasing awareness of the importance of workers' participation in the achievement of organizational goals, public sector firms in Nigeria do not give room for workers at the lower levels to participate in decision-making on issues that affect them and their organizations. Decisions are made by the top and middle level management of these firms. Workers have no option but to work based on the laid down rules and policies formulated by the management of public sector firms since they are not allowed to make inputs in the decision making of their workplace. Lack of innovation and creativity continues to hamper the growth of public sector firms in Nigeria because workers are not allowed to offer ideas and suggestions on how their companies can offer better services to members of the public. Hence, public sector firms cannot compete effectively with their private sector counterparts (Dede, 2019; Chikeleze & Don-Egesimba, 2020). According to PricewaterhouseCoopers (2022), Nigeria's tax compliance rate is significantly low compared to other countries, especially given the weak revenue administration capacity to deal with evasion and lack of data mainly around the informal sector. The Chartered Institute of Taxation of Nigeria (CITN) attributed the low level of tax compliance in the country to trust deficit between citizens and government, low awareness amongst citizens about their tax obligations, poor management and accountability of tax revenue by the government, poor motivation of tax workers and lack of a comprehensive database of taxable persons in Nigeria (News Agency of Nigeria, 2022).

Several studies such as Sofijanov and Zabijakin-Chatleska (2013), Aderibigbe, Igboanusi, and Gwaison (2014), Oikonomou (2018), Oyebamiji (2018), Daniel (2019), Ugwu, Okoroji, and Chukwu (2019), Chimaobi (2020), Okiomah (2020), Oyo-Ita, Worlu, and Udoh (2020), Asokk, Gudda, Bhati, and Vanishree (2021), etc. have been conducted on workers' participation.

However, there is paucity of research on comparative study of workers' participation and firm performance among internal revenue service firms in Nigeria. This study filled this gap in knowledge by examining the effect of workers' participation on firm performance in Lagos and Ogun States' Internal Revenue Services, Nigeria. This study also filled the gap in knowledge by examining the combined effect of the independent variables on each of the dependent variables.

The main objective of the study is to examine the effect of workers' participation on firm performance in Lagos and Ogun States' Internal Revenue Services, Nigeria. The specific objectives are to: i. examine the effect of autocratic participation, consultative participation and delegative participation on tax administration in Lagos and Ogun States' Internal Revenue Services, ii. investigate the effect of autocratic participation, consultative participation and delegative participation on tax inspection in Lagos and Ogun States' Internal Revenue Services, and iii. evaluate the influence of autocratic participation, consultative participation and delegative participation on tax conformity in Lagos and Ogun States' Internal Revenue Services. However, in order to achieve the main and specific objectives highlighted above, the following hypotheses were tested:

**H<sub>01</sub>:** Autocratic participation, consultative participation and delegative participation have no significant effect on tax administration in Lagos and Ogun States' Internal Revenue Services, Nigeria,

**H<sub>02</sub>:** Autocratic participation, consultative participation and delegative participation have no significant effect on tax inspection in Lagos and Ogun States' Internal Revenue Services, Nigeria, and

**H<sub>03</sub>:** Autocratic participation, consultative participation and delegative participation have no significant effect on tax conformity in Lagos and Ogun States' Internal Revenue Services, Nigeria.

## *Literature Review*

### *Conceptual Review*

Workers' participation can be defined as the direct involvement of employees in the decision-making process of an organization in order to help the organization achieve its goals and objectives by applying their innovations, expertise, time, and energy to solving issues and continuously making positive changes in an organization (Bullock & Powell, 2013). Workers' participation, according to Beardwell and Claydon (2007), is the division of authority between employers and employees in the business's decision-making processes, whether through direct or indirect participation. In order to increase employees' sense of involvement in their workplace as part of upholding their duties to their employer, employee participation includes dividing up work-related tasks among several groups or teams inside an organization (Bhatti, Nawab & Akbar, 2011). Workers' participation according to Sofijanova and Chatleska (2013), is the process through which a company's management enables its employees to meaningfully contribute to superior value that will offer the firm a competitive advantage. Workers' participation is a unique type of delegation that gives subordinates more flexibility and power in order to close the communication gap between management and employees (Yusuf, 2008). Given that they typically have more first-hand knowledge and up-to-date information about their specific work processes than their superiors, employees are better placed to apply this knowledge to their jobs if given the opportunity to participate in decisions that affect their work. Workers' participation gives workers the chance to influence decisions that affect their work, especially when they are directly responsible for implementing those decisions. The ability to choose the best operational solutions promotes job satisfaction and inspires employees to perform at a better level (Chikeleze & Don-Egesimba, 2020).

According to Mafini and Pooe (2013), workers' participation is required to hasten the accomplishment of organizational goals. When a company embraces and implements the suggestions of its staff, the quality of the services

it offers will increase. Employers of labor must appreciate and prioritize employee development if they are to provide greater services to society. All of a company's employees must contribute their skills, initiative, and cooperation if it is to succeed, as they are the largest resource any manager requires in order to achieve speedy performance. When management gives employees the authority to make decisions and acts on their proposals, employees feel fulfilled and happy. They will feel better about themselves, and the organization will perform better as a result.

Low levels of employee engagement in workplace decision-making are referred to as autocratic participation decision making. It also describes a circumstance in which a leader makes decisions without discussing with his subordinates and does not allow workers to contribute ideas, initiatives, or suggestions to the work they accomplish. Consultative participation is the term used to describe a worker's right to take part and influence decisions at work through sharing sessions, meetings, conversations, and consultation with their boss. However, the decision-making authority ultimately rests with the leader. Delegative participation implies that employees have the authority and permission to decide on matters pertaining to their jobs, with or without consulting their supervisor (Shaed, Zainol, Yusof, & Bahrin, 2018).

Tax administration was described by Gurama and Mansor (2015) as the process of putting into effect or upholding the government's tax legislation and other tax-related regulations. To earn the necessary funds to fulfill its obligations to provide facilities like good roads, health centers, bridges, hospitals, potable water, steady power supply, good communication services, and security, governments need effective and efficient tax management (both internally and externally). Whether or not the government would be able to raise the necessary funds for its project depended on the type of tax administration in place (Soetan, 2017). Tax administration is the procedure, approach, and framework established to produce the required revenue for the government. The way a nation's tax administration policy is developed and put

into practice will have an ongoing impact on its citizens. The way a nation handles its taxes affects that nation's political future, economic growth, and viability (Bird, 2015).

Tax inspection is the evaluation or verification of a taxpayer's financial and business records to see whether the amount of tax declared and paid complies with applicable laws and regulations. Tax officers from a designated tax authority conduct this audit in addition to the statutory audit. According to Okonkwo (2014), tax inspection exercises are a crucial compliance tool in the majority of tax authorities worldwide. It has made significant contributions to raising awareness among stakeholders, bolstering the self-assessment tax system, bringing in more taxpayers, enhancing tax revenue generation, and preventing different tax system abuses (Oyedokun, 2016). Tax inspection, according to Jemaiyo and Mutai (2016), is the examination of a person's or an organization's tax return by the appropriate tax authorities to determine conformity with the state's applicable tax laws and regulations.

Tax conformity is the process by which taxpayers complete all required tax returns, accurately declare all income, and pay the precise amount of tax due in accordance with applicable tax rules and regulations (Palil & Mustapha, 2011b and Masud, Aliyu, & Gambo, 2014 cited in Olaoye & Ekundayo, 2018). The ability of the populace to follow the rules governing a nation's tax administration is referred to as tax conformity (Kupoluyi, Oloyede & Oyedokun, 2022).

#### *Theoretical Review*

Two theories were reviewed in this study. These theories include goal setting theory and staff empowerment theory. According to goal setting theory, people are more motivated to work toward achieving predetermined goals and objectives when they have a direct hand in making them. Workers are motivated to work toward accomplishing organizational goals by their high level of engagement in their formulation. Companies that involve employees and solicit their input when creating goals will boost employee commitment, morale, job satisfaction, and morale, all of which are

necessary for achieving rapid organizational success (Ugwu *et al.*, 2019). According to staff empowerment theory, employees are empowered when responsibility is delegated and chances are provided for participation in decision-making from the top levels to the bottom levels of a company (Farmer, 2011). Employees can be empowered by management and their coworkers encouraging them, giving them the training that they need, giving them the tools that they need to do their jobs, giving them access to pertinent information, and delegating roles and responsibilities in accordance with their qualifications and experience (Das & Sahoo, 2011). Hewitt (2002) emphasized the need of keeping people informed about significant choices affecting the organization if an organization hopes to prosper and remain successful. They are trusted, and they participate in all levels of decision-making. The best in employees cannot be brought out by command and control alone. Instead, a framework that is more inclusive and collaborative will make use of the skills of every worker.

This study is anchored on staff empowerment theory. This is because when the management of an organization empowers its workers to contribute towards making vital decisions that will move the organization forward faster than its competitors, the company will gain the support and loyalty of its workers towards making effective use of their knowledge, talents, and skills in bringing about the needed innovation and transformation that will enable the company to continue to stay ahead of its competitors.

#### *Empirical Review*

Oyo-Ita, Worlu, and Udoh (2020) examined the impact of participatory management on employee productivity in selected banks in Lagos State, Nigeria. Survey research design was used for the study. Purposive and convenience sampling techniques were used for the study. Sample size of the study comprised of 220 managers and workers of selected banks in Lagos State. Descriptive statistics was used to analyze the respondents' demography. Regression analysis was used to test the hypotheses formulated. The study revealed that participation in decision making had significant effect on goal

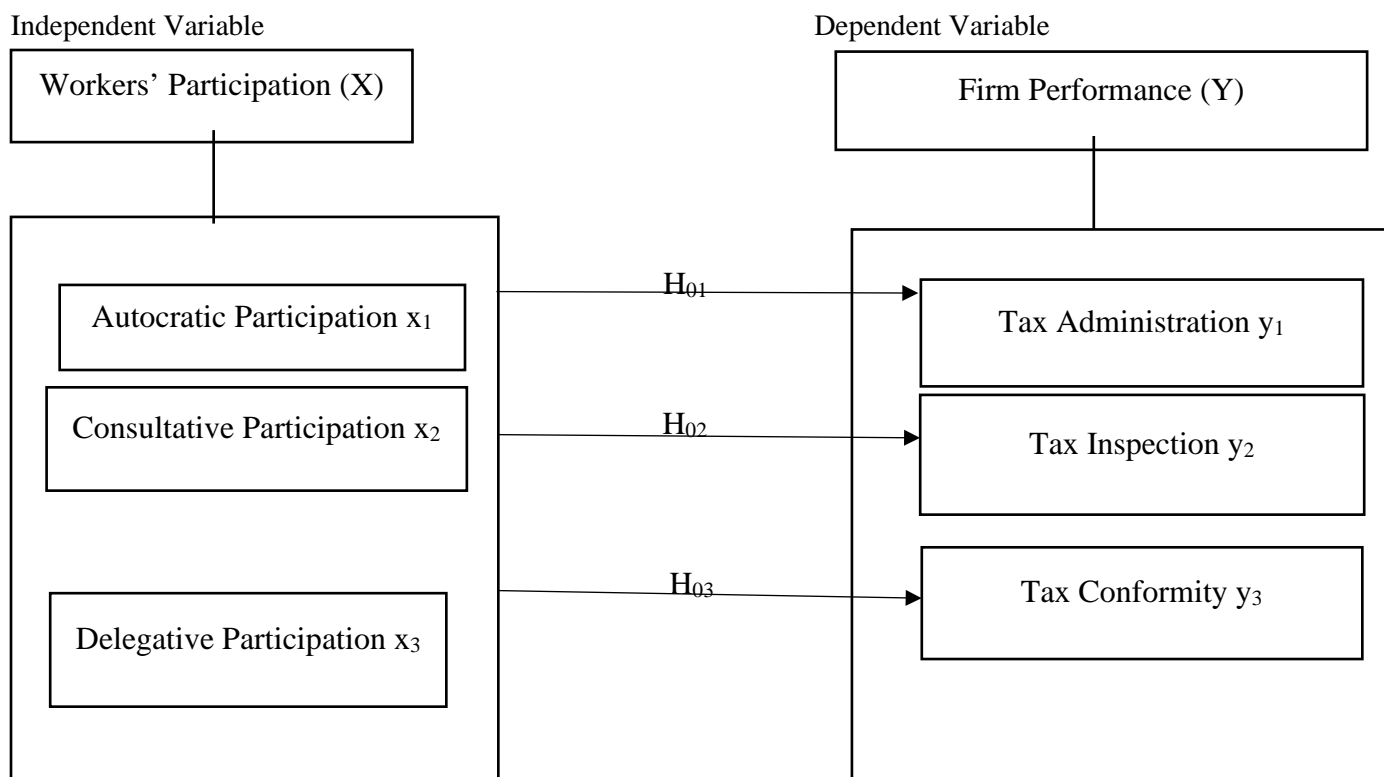
accomplishment in selected banks in Lagos State, Nigeria. Participation in strategic planning had significant effect on profitability. Finally, communication had significant effect on quantity of tasks completed. Chimaobi (2020) examined the effect of employee participation in decision making on organizational performance using Afam Power Plc., Port Harcourt, Rivers State as a case study. Simple random sampling technique was used for the study. Questionnaire was used to collect primary data for the study. Sample size of the study comprised of 125 workers of the company. Descriptive statistics (simple percentage) was used to analyze the respondents' demography. Analysis of variance was used to test the hypotheses formulated. The study showed that employee motivation had significant relationship with competitiveness in Afam Power Plc. Employee commitment had no significant relationship with competitiveness. Finally, organizational structure had significant relationship with competitiveness. Okiomah (2020) examined the relationship between participatory management and organizational performance of manufacturing firms in Rivers State, Nigeria. Cross sectional survey research design was used for the study. Questionnaire was used to collect primary data for the study. Sample size of the study comprised of 299 managers in 15 manufacturing firms in Rivers State, Nigeria. Spearman's rank correlation coefficient was used to test the hypotheses formulated. The study found that decision domain had significant relationship with organizational performance. Degree of participation had significant relationship with organizational performance. Finally, participative management structure had significant relationship with organizational performance. Oyebamiji (2018) examined the influence of employees' participation in decision making on organizational performance with particular reference to Ladoke Akintola University of Technology (LAUTECH) Teaching Hospital, Ogbomoso, Oyo State, Nigeria. Descriptive survey research design was used for the study. Simple random sampling technique was used for the study. Sample size comprised of 205 workers in the teaching hospital. Questionnaire was used to collect primary data for the study. Regression analysis was used to test the hypotheses stated. The study discovered that

direct participation had significant influence on organizational commitment and job performance. Representative participation had significant influence on organizational commitment and job performance. Ojokuku and Sajuyigbe (2014) examined the effect of employee participation in decision making on performance of selected SMEs in Lagos State, Nigeria. Sample size comprised of 129 employees and 27 owners/managers of 27 randomly selected SMEs from the manufacturing and service subsectors in Lagos State. Primary data was collected with the aid of a questionnaire. Pearson product moment correlation coefficient and simple regression analysis were used to test the hypotheses stated. The study indicated that employee participation in decision making had significant relationship with organizational performance. Also, employee participation in decision making had significant effect on organizational performance. Ezeanolue and Ezeanyim (2020) examined the influence of employee participation in decision making on organizational productivity in selected manufacturing firms in South-East, Nigeria.

Survey research design was used for the study. Sample size comprised of 470 management staff, senior staff, and junior staff of selected manufacturing firms in South-East, Nigeria. Primary data was used to gather data for the study with the aid of a questionnaire. Simple regression analysis was used to test the hypotheses stated. The study confirmed that employee consultation had significant effect on organizational productivity in selected manufacturing firms in South-East, Nigeria. Employee involvement had significant effect on organizational productivity. Finally, employee delegation had significant effect on organizational productivity.

### *Conceptual Model*

A research conceptual model was developed to show the effect of the independent variables (autocratic participation, consultative participation and delegative participation) on each of the dependent variable (tax administration, tax inspection and tax conformity) in Lagos and Ogun States' Internal Revenue Services.



**Figure 1:** Workers' Participation and Firm Performance

**Source:** Researchers' Conceptual Model (2022).

### Methods

Survey research design was adopted for this study. This was done for three reasons. First, it is capable of obtaining information from large samples of the population. Second, it is well suited in gathering demographic data that describe the composition of the sample (McIntyre, 1999). Third, it is inclusive in the types and number of variables that can be studied; while it requires minimal investment to develop and administer, and is relatively easy for making generalizations (Glasow, 2005). The population of this study comprised of 188 workers at the head office of Lagos State Internal Revenue Service and 125 workers at the head office of Ogun State Internal Revenue Service (Researcher's Field Survey at Lagos and Ogun States' Internal Revenue Services). The study was carried out at the head office of these firms. This was done for two reasons. First, the researchers strongly believed that whatever activities that take place at the head office of these firms will be extended to all branches of these firms. Second, the head office of these firms has more workers domiciled in them than all their branches. Simple random sampling technique was chosen as the sampling technique for this study. Simple random sampling technique was used for this study because it allows a researcher to give all the elements of his population equal opportunities to participate in his study (Sharma, 2017).

The sample size for the study was determined using Taro Yamane's formula for determining the sample size for a finite population. Hence, the study had a sample size of 128 workers in Lagos State Internal Revenue Service and 95 workers in Ogun State Internal Revenue Service. The research instrument used for this study was a structured questionnaire. The questionnaire enables the respondents to understand the intention of the study. It also enables the researcher to obtain information from the respondents easily (Asika, 2004). The study adopted the questionnaire of Shaed, Zainol, Yusof, and Bahrin (2018) on autocratic participation, consultative participation, and delegative participation. It also adopted the questionnaire of Ugwu, Okoroji, and Chukwu (2019) on consultative participation. Finally, the study adapted the questionnaire of Shagaria and Saad (2017) on tax administration, tax inspection, and tax conformity. The pilot study was carried out by administering copies of the questionnaire to Ten (10) percent of the respondents in order to test the reliability of the research instrument. Cronbach alpha co-efficient determines the internal consistency or average correlation of items in a survey research instrument to gauge its reliability (Santos, 1999). A value of 0.70 and above shows that the research instrument is reliable (Santos, 1999).

**Table 1: Cronbach Alpha Value of the Research Instrument**

Variable	Number of Items	Lagos State Internal Revenue Service	Ogun State Internal Revenue Service
Tax Administration	5	0.81	0.79
Tax Inspection	3	0.72	0.75
Tax Conformity	5	0.77	0.76
Autocratic Participation	6	0.87	0.84
Consultative Participation	9	0.89	0.82
Delegative Participation	5	0.78	0.80
<b>Total</b>	<b>33</b>		

**Source:** Researchers' Computation (2022).

Table 1 showed the Cronbach Alpha value for each item of the research instrument tested which

ranged between 0.72 and 0.89. This showed that the research instrument tested is reliable. The

questionnaire comprised of two major sections: Section A (demographic profile of the respondent) and Section B (Research construct items). The questionnaire comprised of major construct items. However, modified Likert's interval rating scale with options ranging from strongly agree, agree, partially agree, partially disagree, disagree, and strongly disagree were used as the response patterns on the construct items. Two hundred and twenty-three (223) copies of the questionnaire were administered to workers in Lagos and Ogun States' Internal Revenue Service firms. Descriptive statistics using simple percentages and frequency distribution tables was used to analyze the respondents' bio-data (gender, age, marital status, and educational qualifications) and responses on each item of the research instrument while multiple regression analysis was used to test the hypothesis formulated. These methods of data analysis were used with the aid of the Statistical Package for the Social Sciences (SPSS) version 23. Copies of questionnaire were administered to 128 workers in Lagos State Internal Revenue Service and 95 workers in Ogun State Internal Revenue Service. Out of which only 84 copies were filled and returned back in Lagos State Internal Revenue Service while 69 copies were filled and returned back in Ogun State Internal Revenue Service.

84 (66%) of the respondents filled and returned the questionnaire in Lagos State Internal Revenue Service while 69 (73%) of the

respondents filled and returned the questionnaire in Ogun State Internal Revenue Service. Thus, the percentage of the copies of questionnaire returned is high enough for the generalization of the outcome of this research work.

## **Results and Discussion**

According to the demographics of the respondents, 79 (52%) are male and 74 (48%) are female. The marital status of the respondents revealed that 46 (30%) are single and 107 (70%) are married. According to the age distribution of respondents, 33 (22%) are between the ages of 21 and 30years, 66 (43%) are between the ages of 31 and 40years, 44 (29%) are between the ages of 41 and 50years and 10 (7%) are between the ages of 51years and above. According to the respondents' educational qualifications, 11 (7%) have completed the Senior School Certificate Examination (SSCE), 101 (66%) have completed a Bachelor's degree, 39 (25%) have completed a Master's degree and 2 (1%) have completed a Doctorate degree. 84 (55%) of the respondents work in Lagos State Internal Revenue Service while 69 (45%) work in Ogun State Internal Revenue Service. Finally, in terms of length of service, 16 (10%) of the respondents have spent below 1 year in their workplace, 55 (36%) have spent 1-5years, 33 (22%) have spent 6-10years and 49 (32%) have spent 11years and above in their workplace.



**Table 2: Multiple Regression Analysis Results on Workers' Participation and Tax Administration in Lagos and Ogun States' Internal Revenue Services, Nigeria**

Variables	Tax Administration	
	Lagos	Ogun
Constant	$\beta = 16.753$	$\beta = 10.217$
	$t = 4.575$	$t = 2.972$
	$p = 0.000$	$p = 0.004$
Autocratic Participation	$\beta = -0.032$	$\beta = -0.156$
	$t = -0.283$	$t = -1.613$
	$p = 0.778$	$p = 0.112$
Consultative Participation	$\beta = 0.249$	$\beta = 0.643$
	$t = 1.891$	$t = 6.636$
	$p = 0.062$	$p = 0.000$
Delegative Participation	$\beta = 0.051$	$\beta = -0.072$
	$t = 0.406$	$t = -0.838$
	$p = 0.686$	$p = 0.405$
R-Squared	0.084	0.534
Adj. R-Squared	0.050	0.512
F-statistic	2.455	24.795
Prob (F-statistic)	0.069	0.000

**Source:** Researchers' Computation (2022).

Findings of the study in table 2 revealed that autocratic participation ( $\beta = -0.032$ ,  $t = -0.283$ ,  $p > 0.05$ ) had negative insignificant effect on tax administration, consultative participation ( $\beta = 0.249$ ,  $t = 1.891$ ,  $p > 0.05$ ) had no significant effect on tax administration and delegative participation ( $\beta = 0.051$ ,  $t = 0.406$ ,  $p > 0.05$ ) had no significant effect on tax administration in Lagos State Internal Revenue Service. The adjusted R square of 0.050 showed that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 5% of the variation in tax administration in Lagos State Internal Revenue Service. This implies that only 5% of the changes in tax administration could be attributed to workers' participation in Lagos State Internal Revenue Service. The results indicated that the overall model was insignificant as represented by  $F = 2.455$  with  $p$ -value  $(0.069) > 0.05$ .

The regression model indicated that holding workers' participation to a constant zero, tax administration would be 16.753 which implies that without workers' participation, tax

administration in Lagos State Internal Revenue Service was 16.753. Based on these findings, the null hypothesis ( $H_{01}$ ) which states that workers' participation (autocratic participation, consultative participation and delegative participation) has no significant effect on tax administration in Lagos State Internal Revenue Service is hereby accepted.

Also, findings of the study in table 2 affirmed that autocratic participation ( $\beta = -0.156$ ,  $t = -1.613$ ,  $p > 0.05$ ) had negative insignificant effect on tax administration, consultative participation ( $\beta = 0.643$ ,  $t = 6.636$ ,  $p < 0.05$ ) had significant effect on tax administration and delegative participation ( $\beta = -0.072$ ,  $t = -0.838$ ,  $p > 0.05$ ) had negative insignificant effect on tax administration in Ogun State Internal Revenue Service. The adjusted R square of 0.512 showed that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 51.2% of the variation in tax administration in Ogun State Internal Revenue Service. This implies that only

51.2% of the changes in tax administration could be attributed to workers' participation in Ogun State Internal Revenue Service. The results indicated that the overall model was statistically significant as represented by  $F = 24.795$  with p-value  $(0.000) < 0.05$ .

The regression model indicated that holding workers' participation to a constant zero, tax administration would be 10.217 which implies

that without workers' participation, tax administration in Ogun State Internal Revenue Service was 10.217. Based on these findings, the null hypothesis ( $H_{01}$ ) which states that workers' participation (autocratic participation, consultative participation and delegative participation) has no significant effect on tax administration in Ogun State Internal Revenue Service is hereby rejected.

**Table 3: Multiple Regression Analysis Results on Workers' Participation and Tax Inspection in Lagos and Ogun States' Internal Revenue Services, Nigeria**

Variables	Tax Inspection	
	Lagos	Ogun
Constant	$\beta = 8.712$	$\beta = 8.375$
	$t = 4.557$	$t = 3.738$
	$p = 0.000$	$p = 0.000$
Autocratic Participation	$\beta = 0.021$	$\beta = -0.085$
	$t = 0.193$	$t = -0.740$
	$p = 0.848$	$p = 0.462$
Consultative Participation	$\beta = 0.439$	$\beta = 0.547$
	$t = 3.531$	$t = 4.778$
	$p = 0.001$	$p = 0.000$
Delegative Participation	$\beta = -0.005$	$\beta = -0.060$
	$t = -0.040$	$t = -0.596$
	$p = 0.969$	$p = 0.553$
R-Squared	0.185	0.350
Adj. R-Squared	0.155	0.320
F-statistic	6.067	11.658
Prob (F-statistic)	0.001	0.000

**Source:** Researchers' Computation (2022).

Findings of the study in table 3 indicated that autocratic participation ( $\beta = 0.021$ ,  $t = 0.193$ ,  $p > 0.05$ ) had no significant effect on tax inspection, consultative participation ( $\beta = 0.439$ ,  $t = 3.531$ ,  $p < 0.05$ ) had significant effect on tax inspection and delegative participation ( $\beta = -0.005$ ,  $t = -0.040$ ,  $p > 0.05$ ) had negative insignificant effect on tax inspection in Lagos State Internal Revenue Service. The adjusted R square of 0.155 confirmed that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 15.5% of the variation in tax inspection in Lagos State Internal

Revenue Service. This implies that only 15.5% of the changes in tax inspection could be attributed to workers' participation in Lagos State Internal Revenue Service. The results indicated that the overall model was statistically significant as represented by  $F = 6.067$  with p-value  $(0.001) < 0.05$ .

The regression model affirmed that holding workers' participation to a constant zero, tax inspection would be 8.712 which implies that without workers' participation, tax inspection in Lagos State Internal Revenue Service was 8.712. Based on these findings, the null hypothesis ( $H_{01}$ ) which states that workers' participation

(autocratic participation, consultative participation and delegative participation) has no significant effect on tax inspection in Lagos State Internal Revenue Service is hereby rejected.

In addition, findings of the study in table 3 affirmed that autocratic participation ( $\beta = -0.085$ ,  $t = -0.740$ ,  $p > 0.05$ ) had negative insignificant effect on tax inspection, consultative participation ( $\beta = 0.547$ ,  $t = 4.778$ ,  $p < 0.05$ ) had significant effect on tax inspection and delegative participation ( $\beta = -0.060$ ,  $t = -0.596$ ,  $p > 0.05$ ) had negative insignificant effect on tax inspection in Ogun State Internal Revenue Service. The adjusted R square of 0.320 showed that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 32% of the variation in tax inspection in Ogun State Internal Revenue

Service. This implies that only 32% of the changes in tax inspection could be attributed to workers' participation in Ogun State Internal Revenue Service. The results indicated that the overall model was statistically significant as represented by  $F = 11.658$  with  $p\text{-value} (0.000) < 0.05$ .

The regression model indicated that holding workers' participation to a constant zero, tax inspection would be 8.375 which implies that without workers' participation, tax audit in Ogun State Internal Revenue Service was 8.375. Based on these findings, the null hypothesis ( $H_{02}$ ) which states that workers' participation (autocratic participation, consultative participation and delegative participation) has no significant effect on tax inspection in Ogun State Internal Revenue Service is hereby rejected.

**Table 4: Multiple Regression Analysis Results on Workers' Participation and Tax Conformity in Lagos and Ogun States' Internal Revenue Services, Nigeria**

Variables	Tax Conformity	
	Lagos	Ogun
Constant	$\beta = 16.078$	$\beta = 14.823$
	$t = 5.188$	$t = 4.734$
	$p = 0.000$	$p = 0.000$
Autocratic Participation	$\beta = -0.056$	$\beta = -0.170$
	$t = -0.497$	$t = -1.553$
	$p = 0.621$	$p = 0.125$
Consultative Participation	$\beta = 0.220$	$\beta = 0.538$
	$t = 1.685$	$t = 4.923$
	$p = 0.096$	$p = 0.000$
Delegative Participation	$\beta = 0.128$	$\beta = -0.083$
	$t = 1.039$	$t = -0.866$
	$p = 0.302$	$p = 0.390$
R-Squared	0.106	0.407
Adj. R-Squared	0.072	0.380
F-statistic	3.155	14.888
Prob (F-statistic)	0.029	0.000

**Source:** Researchers' Computation (2022).

Findings of the study in table 4 showed that autocratic participation ( $\beta = -0.056$ ,  $t = -0.497$ ,  $p > 0.05$ ) had negative insignificant effect on tax conformity, consultative participation ( $\beta = 0.220$ ,

$t = 1.685$ ,  $p > 0.05$ ) had no significant effect on tax conformity and delegative participation ( $\beta = 0.128$ ,  $t = 1.039$ ,  $p > 0.05$ ) had no significant effect on tax conformity in Lagos State Internal

Revenue Service. The adjusted R square of 0.072 indicated that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 7.2% of the variation in tax conformity in Lagos State Internal Revenue Service. This implies that only 7.2% of the changes in tax conformity could be attributed to workers' participation in Lagos State Internal Revenue Service. The results ascertained that the overall model was statistically significant as represented by  $F = 3.155$  with  $p\text{-value} (0.029) < 0.05$ . The regression model affirmed that holding workers' participation to a constant zero, tax conformity would be 16.078 which implies that without workers' participation, tax conformity in Lagos State Internal Revenue Service was 16.078. Based on these findings, the null hypothesis ( $H_{03}$ ) which states that workers' participation (autocratic participation, consultative participation and delegative participation) has no significant effect on tax conformity in Lagos State Internal Revenue Service is hereby rejected.

Also, findings of the study in table 4 affirmed that autocratic participation ( $\beta = -0.170$ ,  $t = -1.553$ ,  $p > 0.05$ ) had negative insignificant effect on tax conformity, consultative participation ( $\beta = 0.538$ ,  $t = 4.923$ ,  $p < 0.05$ ) had significant effect on tax conformity and delegative participation ( $\beta = -0.083$ ,  $t = -0.866$ ,  $p > 0.05$ ) had negative insignificant effect on tax conformity in Ogun State Internal Revenue Service. The adjusted R square of 0.380 showed that workers' participation (autocratic participation, consultative participation and delegative participation) explained only 38% of the variation in tax conformity in Ogun State Internal Revenue Service. This implies that only 38% of the changes in tax conformity could be attributed to workers' participation in Ogun State Internal Revenue Service. The results indicated that the overall model was statistically significant as represented by  $F = 14.888$  with  $p\text{-value} (0.000) < 0.05$ . The regression model verified that holding workers' participation to a constant zero, tax conformity would be 14.823 which implies that without workers' participation, tax conformity in Ogun State Internal Revenue Service was 14.823. Based on these findings, the null hypothesis ( $H_{03}$ ) which states that workers' participation

(autocratic participation, consultative participation and delegative participation) has no significant effect on tax conformity in Ogun State Internal Revenue Service is hereby rejected.

The study found that workers' participation (autocratic participation, consultative participation and delegative participation) had no significant effect on tax administration in Lagos State, Nigeria. Findings of the study contradicts the study of Oyo-Ita, Worlu, and Udoh (2020) which revealed that participation in decision making had significant effect on employee productivity in terms of goal accomplishment, profitability and quantity of tasks completed in selected banks in Lagos State.

Results of the study indicated that workers' participation (autocratic participation, consultative participation and delegative participation) had significant effect on tax administration in Ogun State. Results of the study support the study of Chimaobi (2020) which showed that employee participation in decision making had significant relationship with organizational performance in Afam Power Plc., Port Harcourt, Rivers State.

The study discovered that workers' participation (autocratic participation, consultative participation and delegative participation) had significant effect on tax inspection in Lagos and Ogun States' Internal Revenue Services. Findings of the study agree with the study of Okiomah (2020) which found that participatory management had significant relationship with organizational performance of manufacturing firms in Rivers State, Nigeria. In addition, findings of the study support the study of Ezeanolue and Ezeanyim (2020) which discovered that employee participation in decision making had significant effect on organizational productivity in selected manufacturing firms in South-East, Nigeria.

The study affirmed that workers' participation (autocratic participation, consultative participation and delegative participation) had significant effect on tax conformity in Lagos and Ogun States' Internal Revenue Services. The study agrees with the study of Oyebamiji (2018) which indicated that employees' participation in decision making had significant influence on

organizational performance in Ladoke Akintola University of Technology (LAUTECH) Teaching Hospital, Ogbomoso, Oyo State, Nigeria. Also, results of the study align with the study of Ojokuku and Sajuyigbe (2014) which verified that employee participation in decision making had significant effect on the performance of selected SMEs in Lagos State, Nigeria.

#### *Conclusion and Recommendations*

Based on the results of the study, the study concluded that workers' participation in decision making will not bring about efficient tax administration in Lagos State Internal Revenue Service. Also, the study concluded that workers' participation will bring about efficient tax administration in Ogun State Internal Revenue Service.

In addition, the study concluded that management's decision to involve workers in decision making in Lagos and Ogun States' Internal Revenue Service firms will motivate workers to always examine the tax report of individuals and businesses effectively in order to ensure they comply with tax laws and regulations established by the government. Management's decision to allow workers to participate in decision making on issues that affect the company and workers in Lagos and Ogun States' Internal Revenue Services will encourage them to generate sufficient revenue needed by the government to enhance the social and economic development of their states and the nation as a whole.

The study recommended that since workers' participation had no significant effect on tax administration in Lagos State Internal Revenue Service, management of Lagos State Internal Revenue Service should look for other means in which they can manage the taxes they collect from individuals and business firms effectively. The management of Ogun State Internal Revenue Service should always seek for workers' inputs and suggestions whenever they want to make decisions on issues that affect the company and their workers and also implement them in order to manage the taxes they collect very well.

Top managers in Lagos and Ogun States' Internal Revenue Services should always seek workers' ideas, opinions and suggestions whenever they

want to make vital decisions in their workplace and also implement them in order to drive employees to continue to inspect the tax reports of taxpayers very well and realize more revenue for government's use.

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