

# Employee involvement and participation analysis



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BUSTER**

A participative process that uses employees input to increase their commitment to organisation success. It is essential to encouraging to staff to get involved to share ideas.

“ A participative process that utilizes the entire capacity of employees, and encourages their increased commitment to organizational success.” (Robbins 1998)

Examples of employee involvement programs

Participative management

Representative participation

## **Participative management**

Employees are invited to participate in decision making process of the organisation by different activities. Such as setting goals, determine work schedule and the responsibility of employees and soliciting survey feedback.

## **Benefit of participative management**

Better teamwork

More trust

More commitment

Faster adaption to change

Increased productivity

Better- decision

Improve job satisfaction

Employee module

## **2) Representative participation**

Collective Bargaining

Works Councils

Worker Directors

Employee Involvement is one approach to improving quality and productivity.

Motivation: – By Needs, Desire, Monetary Benefits, Incentives, Promotions, Facilities, Recognition etc

## **Need For Employee Involvement**

To take Right Decision Making

Full Knowledge & Skill to be used

Solve Problems

Morale & Commitment

Leadership

Creativity & Innovation

## **Benefits of employee involvement**

Empowering

Better Decisions

Better improvement

Corrective Action

Effective Cooperation & Communication

Loyalty Increases & Floating Population Reduces

More Money to Share

## **Types of involvement**

There are 3 types of involvement.

Suggestion

Employees will contribute idea.

Job involvement

This is a way of undertaking and organising task.

High involvement

Better decision making pathways are developed.

## **Evidence of employee involvement and participation**

### **Starbucks Corporation**

#### **Introduction**

Starbucks Corporation a famous chain of coffee, coffee beans, tea drinks in the world. It has about 4000 branches. The success of Starbucks is not only

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by the quality of the coffee and its product but also providing a cosy environment for customer and good customer service.

Case study of Starbucks shows that high satisfaction of employees. Turnover rate of employees was 65%, and the turnover rate of managers was 25% a year. On the other hand, turnover rate of other competitors are 150% to 400% and 50% respectively. Comparing to other turnover rate of other national chain retailers, the Starbucks is much lower. (Michelli, 2006)

In Starbucks, that motivation is the key factor of a Starbucks with personal. A good communication and relationship between managers and employees make high quality of performance. In other chain retailers they ignore workers' ideas but in Starbucks they always welcome the employee idea.

## **How Starbucks employee are participant and involvement**

Equal treatment, listen to employees

By treating as a partner and domestic partner aid

Competitive pay, bonuses and emergency finance aid

Insurance for prescription drug, dental, vision, life, disability

Paid for time off and retirement savings plan

Discounted stock purchase plan and free coffee pack per week

Adoption assistance

Help for child and eldercare

(<http://www.starbucks.com/career-center/working-at-starbucks>)

## **Positive outcomes for company**

Turnover rate is low which will save a huge amount of money for to train a new employee.

In 2005 11th best company to work in the USA and risen up in 2006 in Fortune magazine.

In 2007 voted as one of the top ten in UK for workplace by financial time.

Expanding worldwide

Maximise profit and minimise profit

## **Positive outcomes for employees**

Employees can enjoy their job in must closer and familiar environment with a narrow gap between managers. They are treated equally and called partners even for supervisors. Starbucks provide perfect education. For better performance training is given. Starbucks offers an interactive structure that makes employee in still them on their job.

## **Medtronic Galway**

### **Introduction**

It is an Ireland company. It was originally owned by CR bard and become a part of Medtronic in October 1998. It is fast moving company they have to develop a new product and improve an existing product. In 2003 they make a policy of employee involvement and participation by training and learning.

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Medtronic also take a day to day basic new idea from employees and they are participant in decision making

## **Positive outcomes for employee and employer**

This participation and involvement objective is to take an advantages to gain in difficult budgetary climate. New ideas were come out and this involvement developed a role of employee. More wages and benefits was given to employee.

## **Oticon**

### **Introduction**

Oticon a Danish hearing aid production company has achieved higher performance by employee participation and involvement. This company will be an example, how employee oriented focus on participation can transform the competitive fortune of business facing the challenge of multination.

(Boudewijn and Williams 2002)

Strategic plan of Oticon

Refocused its strategic direction

Human capabilities were nurtured and developed but more important in the fresh approach to employee involvement and participation

In Oticon any one can start a project, other can join. The company treat everyone as an adult. If some employee does not have any task they have to start a new project or join to another.

## **Positive outcomes for Oticon**

The result was significant. Sales have gone up to 20% per annum when the market is shrinking by 5% on each year. In 1995 Oticon has launched a first digital hearing aid. Oticon has become one of the three hearing aid producer.

## **Positive outcomes for Employee**

Employees are free to start a project or join. They have got a share in benefit.

## **Dairygold Co-operative society Ltd**

### **Introduction**

Dairygold an Ireland leading food company having employees 2500 in 2001. Company established an autonomous work group, as an initiative of a union which will decrease the maintenance workforce. Maintenance employee will run maintenance function in the plant on the basis of self managed work team. They are responsible for budgeting, planning of works and liaison with production. They can make their own schedule for holiday and working hours. They will assign their own team leader who negotiable the amount of budget with management.

## **Positive outcomes for Dairygold and employee**

Employee involvement and participation has been more significant for both the company and its employees. The employees have come in below budget every year. This saving of budget is shared between company and the employees with 50: 50. The first year saving budget is € 24, 000 and more than € 24, 000 in 2003.



Employee has more control on their working life. Also better work environment is a curial influence on the health and safety, general well being of employees and psychological contract established between employers and employees which has a real impact upon environment.

Dairygold is the evidence of the employee participation and involvement contributes to positive outcomes for both Dairygold and its employee

## **Conclusion**

From the above case example we can see that employee participation and involvement will contributes to positive outcomes for both employee and employer.

## **Bibliography**

<http://www.smallbusiness.co.uk/channels/start-a-business/small-business-advice/> Date 25-03-2011