

# Participative management essay sample

[Business](#), [Management](#)



## 1. INTRODUCTION

### a. Background of study:

A modern forward-looking business does not keep its employees in the dark about vital decisions affecting them. It trusts them and involves them in decision making at all levels. “ Command and control” is no longer an adequate model. A more open and collaborative framework will exploit the talents of all employees (Hewitt, 2002). Employees must be involved if they are to be understood the need for creativity and if they are to be committed to changing their behavior at work, in new and improved ways (Singh, 2009; Kingir and Mesci, 2010). Employee involvement in decision-making serves to create a sense of belonging among the workers as well as a congenial environment in which both the management and the workers voluntarily contribute to healthy industrial relations (Noah, 2008). In order to increase the workers commitment and humanize the workplace with the intention of improving work performance and good citizenship behavior, managers need to permit a high degree of employee involvement (Cohen et al., 1997).

### b. Definition:

Participative Management refers to as an open form of management where employees are actively involved in organization’s decision-making process. The managers who understand the importance to human intellect and seek a strong relationship with their employees apply the concept. They understand that the employees are the facilitators who deal directly with the customers and satisfy their needs. To beat the competition in market and to stay ahead of the competition, this form of management has been adopted by many

organizations. They welcome the innovative ideas, concepts and thoughts from the employees and involve them in decision-making process.

Participative Management can also be termed as ‘ Industrial Democracy’, ‘ Co-determination’, ‘ Employee Involvement’ as well as ‘ Participative Decision Making’. The concept of employee participation in organization’s decision making is not new. However, the idea couldn’t gain that much popularity among organizations. Studies have shown that only 3-5 percent of organizations have actually implemented this concept in their daily operations. Though the theory of participative management is as old as the institution of employees and employers. Still it is not applied in a large proportion of organizations.

c. Rationale of Study:

Now a day, participation is very important for an organization. Who will participate and who won’t participate is the most important decision to take. Though employee participation is highly encouraged in modern theories, there always should be some boundary. There is always some matter in which subordinates should not interfere.

d. Objective of the study:

Thus, the involvement of workers in decision-making is considered as a tool for inducing motivation in the workers leading to positive work attitude and high productivity (Noah, 2009). However, researchers may be skeptical about the value and relevance of employee involvement in decision making to firm performance. It is in view of this that the study examines the following: 1. Find the features of organizational participation.

2. Find the benefits of Organizational participation.
3. Find the limitations of Organizational participation.

e. Limitations of Study:

This study has not done by a professional researcher. So there can be some ambiguity in the study. Since this study is created mainly through observation and secondary information, there may also lack of reflection of the exact scenario. a. Problem statement:

Organizational participation makes it easy for the organization to achieve the organizational goal.

2. Research methodology

a. Research methodology and data collection:

This study is made mainly on the basis of other researcher's work and through observation in the organization I work in.

b. Computer software used:

1. MAC office 2008.
2. Snagit 2 editor.

3. Findings and analysis

a. Organizational participation:

Participative management is the process whereby employees are involved in decision making processes, rather than simply acting on orders. Employee participation is part of a process of empowerment in the workplace.

Employee participation is in part a response to the quality movement within

organizations. Individual employees are encouraged to take responsibility for quality in terms of carrying out activities, which meet the requirements of their customers. The internal customer is someone within the organization that receives the ‘ product of service’ provided by his or her ‘ supplier’ within the organization. External customers are buyers and users outside of the organization. Employee participation is also part of the move towards human resource development in modern organizations. Employees are trusted to make decisions for themselves and the organization.

This is a key motivational tool. Participative managers consult with their employees, bringing them in on problems and decisions so that they work together as team. The managers are not autocrats, but they still retain ultimate responsibility for the operation of their units, but they have learned to share operating responsibility with those who perform the work. The results are that, employees feel a sense of involvement in-group goals. It follows that participation is the mental and emotional involvement of people in-group situations that encourages them to contribute to group goals and share responsibility for them. There are three important ideas of this definition – involvement, contribution and responsibility. The idea behind employee involvement at every stage of decision-making is absolutely straight.

Open and honest communication always produces good results both for organization as well as workers. Freedom and transparency in company’s operations take it to the next level and strengthens the basis of the organization. On the other hand, there are several companies that

straightway rule out the possibility of participative decision-making process. According to them, employees misuse their freedom of expression and participation in decision-making as it provides higher status to employees and empowers them. There are many companies who have embraced this particular style of management and are now getting positive results. Toyota is the best example. The company has been following suggestion schemes and employee involvement procedures for over a decade now. The management receives almost 2, 000, 000 suggestions and ideas every year; and the company is implementing around 95 percent of these ideas. Who is not aware of Toyota's success rate? Around five thousand improvements per year have made Toyota one of the fastest growing organizations globally. The need is to develop and implement a comprehensive company policy and everything works well.

British Airways is another great example of participatory management. During economic downsizing, employees' suggestions helped them cut annual cost of their operations by 4. 5 million pounds. This is just unbelievable. The company would have suffered from huge losses, had it not adopted employees' suggestions. It is right to some extent that employees can misuse industrial democracy but with a proper management of HR functions, this problem can be solved and the operations of organization can be taken to the next level.

Satyam is another great example. It has been implementing company-wide suggestion scheme, ' The Idea Junction', since 2001. A real-time web-based portal is present in Intranet that can be accessed by all its employees all

across the globe to support the entire life cycle of an idea right from its generation till its implementation. The main idea behind adopting this management style was to create values and bring sense of belongingness in the employees through ideas, suggestions and complains. The whole procedure is backed by a strong and comprehensive reward policy that encourages employees to perform better each time. Employee participation at each level of decision-making process is not at all harmful if managed efficiently. The whole process can be well coordinated and controlled by the sincere and honest efforts of human resource managers.

Involvement:

Employee participation is also referred to as employee involvement (EI). Participation means meaningful involvement rather than mere muscular activity. A person who participates is ego – involved instead of merely task – involved. Some managers mistake task involvement for true participation. They go through the motions of participation, but nothing more. They hold meetings to ask opinions and so on, but all the time it is perfectly clear to employees that their manager is an autocratic boss who wants no ideas. These empty managerial actions constitute pseudo participation, with the result that employees fail to become ego – involved. Examples of employee participation include:

- i. Project teams or quality circles in which employees work on projects or tasks with considerable responsibility being delegated to the team.

- ii. Suggestion schemes – where employees are given channels whereby they can suggest new ideas to managers within the organization. Often they will receive rewards for making appropriate suggestions.
- iii. Consultation exercises and meetings whereby employees are encouraged to share ideas.
- iv. Delegation of responsibility within the organization. In modern organization's ground level employees have to be given considerable responsibility because they are dealing with customers on a day-to-day basis often in novel situations. Such employees need to be trusted to make decisions for them.
- v. Multi-channel decision making processes. In such situations decisions are not only made in a downward direction, they also result from communications upward, sideways, and in many other directions within the organization. Motivation to Contribute:

A second concept in participation is to motivate people to contribute. They are empowered to release their own resources of initiative and creativity toward the objectives of the organization. In this way participation differs from consent. The practice of consent uses only the creativity of the managers, who brings ideas to the group for the member's consent. The consent do not contribute, they merely approve. Participation is more than getting consent for something that has already been decided. Its great value is that taps the creativity of all employees. Participation especially improves motivation by helping employees understand and clarify their paths toward



goals. According to the path – goal model of leadership, the improved understanding of path – goal relationships produces a heightened sense of responsibility for goal attainment. The result is improved motivation.

Acceptance of responsibility:

Finally, participation encourages people to accept responsibility in their group activities. It is a social process by which people become self – involved in an organization and want to see if work successfully. When they talk about their organization, they began to say ‘ we’ not ‘ they’. When they see a job problem, it is ‘ ours’ not ‘ theirs’. Participation helps them become good organizational citizens rather than non – responsible, machine – like performers. As individuals begin to accept responsibility for group activities, they see in it a way to do what they want to do, that is, to get a job done for which they feel responsible. This idea of getting the group to want teamwork is a key step in developing it into a successful work unit. When people want to do something, they will find a way. Under these conditions employees see managers as supportive contributors to the team. Employees are ready to work actively with managers rather than reactively against them.

b. Why Participation is popular?

Managers have for years recognized various benefits of participation, but Roethlisberger, Coch, French and others first demonstrated these benefits experimentally in classic studies in industry. Conducted by skillful social scientists under controlled conditions, these experiments were useful in drawing attention to the potential value of participation. Their collective results suggested the general proposition that, especially in the introduction

of changes, participation tends to improve performance and job satisfaction. Later research in organizations has repeatedly supported this proposition, as suggested by the authors of comprehensive review: participation can have statistically significant effects on performance and satisfaction.

There are reasons for the enhanced interest in participation. U. S businesses are struggling to compete in the global marketplace. Consequently, they are showing a keen interest in any managerial practices expedite these goals by placing more responsibility at lower levels of the organization and by speeding up the approval process. Participative practice may also provide opportunities earlier to minority workers need not wait until reaching higher organizational levels before being allowed to contribute meaningfully.

Participation also seems to help satisfy the awakening employee need for meaning and fulfillment at work. This research for spirit, or harmony among all facets of life as guided by a higher power, has challenged organizations such as Tom's of Maine, Boeing, Lotus Development, and Medtronic to search for ways to restore a 'soul' to their workplaces. Meaningful participation can help those needs.

Other reasons for the popular use of participative practices are noteworthy. The educational level of the workforce often provides workers with unique capacities that can be made that participation is an ethical imperative for managers. This view rests on the conclusion that highly non-participative jobs cause both psychological and physical harm to employees in the long run. As a result of these driving forces, managers need to create participative

conditions that will allow interested employees to experience feeling of empowerment in their work.

Figure 1: Forces affecting the greater use of participation

c. Benefits of Participation:

In various types of organizations under different operative conditions, participation has contributed to a variety of benefits. Some of these are direct; others are less tangible. Participation typically brings output and better quality of output. In certain types of operations the quality improvement alone is worth the time invested in participation. Employees often make suggestions for both quality and quantity improvements. Although not all the ideas are useful, there are enough valuable ones to produce genuine long-run improvements. Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction, and cooperation with management also may improve. The results often are reducing conflict and stress, more commitment to goals, and better acceptance of change. Turnover and absences may be reduced because employees feel that they have a better place to work. The act of participation itself establishes better communication as people discuss work problems. Management tends to provide workers with increased information about the organization's finances and operations, and this sharing of information allows employees to make better quality suggestions.

There is an assumption held by many scholars and managers that if employees are adequately informed about matters concerning them and are

afforded the opportunity to make decisions relevant to their work, then there will be benefits for both the organization and the individual (Shadur et al., 1999). Hence, the following are the benefits of employee involvement in decision-making: 1. It increases employee's morale or job satisfaction and enhances productive efficiency (Chang & Lorenzi, 1983).

2. It provides employees the opportunity to use their private information, which can lead to better decisions for the organization (Williamson, 2008). 3. As a result of the incorporation of the ideas and information from employees, organizational flexibility, product quality, and productivity may improve (Preuss & Lautsch, 2002). 4. It contributes to greater trust and a sense of control on the part of the employees (Chang & Lorenzi, 1983). 5. Through employee involvement, resources required to monitor employee compliance (e. g., supervision and work rules) can be minimized, hence reducing costs (Arthur, 1994; Spreitzer & Mishra, 1999). 6. When employees are given the opportunities of contributing their ideas and suggestions in decision-making, increased firms' performance may result since deep employee involvement in decision-making maximizes viewpoints and a diversity of perspectives (Kemelgor, 2002).

On his part, Sashkin (1976) identifies four corresponding outcomes of employee's involvement or participation in decision-making: 1. Quality Improvement. Better information flow and use can clarify tasks goals, and bring about qualitatively better decisions. 2. Increase in employees' commitment and acceptance of decisions through a sense of " ownership" (having been involved in decision-making). This outcome increases the

likelihood that goals will be effectively implemented. 3. Support of the participative approach and continuance of its effects overtime, due to learning through behavioral practice; this represents the behavioral process effect. 4. Increase adaptive capacity of the organization. Development of shared norms and values may result into more effective use of inter-dependency relations among organization members, through an organizational process based on collaboration, as opposed to win-lose conflict.

However, any potential benefits from greater employee involvement in decision making require that employee interest be aligned with firm's interests (Ogden, 1992; Spreitzer & Mishra, 1999). Individual contingency factors – which support or hinder participative decision-making; have also been identified by Sashkin (1976): 1. Participative decision-making is appropriate when sets of choices are clear, individuals show desire for greater desire for job involvements, and several individuals can be given similar choice sets (that is, effort in developing choices does not render such a plan economically impractical). This would always be true when technology is low. 2. Participative decision-making may be useful in developing greater individual job responsibility. 3. Participative approach to decision-making is inappropriate when choices are complex, difficult to define, and vary in no small way; when task interdependence is very high; when environmental change is rapid.

d. The Participative Process:

A simple model of the participative process is shown in figure 2. It indicates

that in many situations participative programs result in mental and emotional involvement that produces generally favorable outcomes for both the employees and the organization. Participating employees are generally more satisfied with their work and their self – efficiency rises as a result of their new empowerment.

Figure 2: The participative process

e. Impact of participation on managerial power:

In organizational behavior, power is defined as the ability to get someone to do something you want done or the ability to make things happen in the way you want them to. The essence of power is control over the behavior of others. Managers derive power from both organizational and individual sources. And through participation, a manager delegates this power to his subordinates.

It is a sharing process between the manager and his subordinates and built upon the leader – member exchange model of leadership. According to this model, the managers and their followers develop a somewhat reciprocal relationship, with the leader selectively delegating, informing, consulting, mentoring, praising or rewarding each employee. The subordinates have to offer loyalty, higher productivity and respect to the managers.

Now the managers are not free from the fear of losing power by sharing it with others. This is a natural view of managers as controllers, but it is not justifiable one because participative managers often remain the final authority. The proper empowerment – that enables the employees to utilize the authority and makes them more involved in the organization.

f. Prerequisites of participation:

The proper implementation of participation totally depends on how well the factors are judged and certain prerequisites are met. The major prerequisites are as follows: 1. Adequate time to participate.

2. Potential benefits greater than costs.

3. Relevance to employee interests.

4. Adequate employee abilities to deal with the subjects.

5. Mutual ability to communicate.

6. No feeling of threat to either party.

7. Restriction to the areas of job freedom.

Participation for deciding a course of action in an organization can take place only within the group's area of job freedom. Some degree of restriction on groups and individuals is required in order to maintain unity for the whole.

Within the area of job freedom, participation exists along a continuum. An administrator may find it necessary to limit the participation used with one employee while consulting freely with another. Since a consistent approach provides employees with a predictable environment, each administrator gradually becomes identified with some general style of participation as a usual practice. g. Manager's duties towards participation:

The general duties of a manager toward participation are following: 1. Let works progress from involvement on simple issues to more complex ones. 2. Provide employees with relevant training so that they understand broader

organizational issues and financial statements. 3. Communicate in advance their areas of decisional freedom and the associated boundaries. 4. If the workers do not wish to participate they should not be forced to do so. 5. Provide counseling for supervisors so that they will know how to handle power sharing. 6. Set realistic goals for the early stages of any participative process. 7. Keep the guiding philosophy behind participation firmly in mind at all times. 8. Never attempt to manipulate a decision under the guise of participation. 9. Maintain a delicate balance between over participation and under participation. 10. Monitor employee perceptions of the level of empowerment experienced.

h. Limitations of participation:

The possible limitations of participation are following:

1. Lack of trust on the participating subordinates may fail the whole process.
2. Sometimes employees may forget their boundaries of participation. 3.

There may rise a lot of wrong inputs.

4. Over practice of empowerment.
5. Manager's loss of control over subordinates.
6. Sometimes it becomes tough for the manager to evaluate his subordinates. 7. Substantial amount of training needed.
8. Manager can overlook a brilliant input because of lot of other dull inputs.
9. Participative subordinates may involve in personal conflict. 10. Tendency of oiling bosses may arise.



i. Participation in my organization:

I work in ' Playdom Bangladesh Private Limited', which is a branch of ' Playdom Inc.' ' Playdom Inc.' is a company of Disney Interactive, Formally known as Disney Interactive Media Group (DIMG). Organizations under ' Disney Interactive' always give participation a top priority. In every decision-making, the organization expects its employees to participate. From office decoration to new recruitment, team building or even in launching new product, employee participation is highly encouraged.

Participative management in ' Playdom Bangladesh Private Limited': 1. Self-managed work teams: All the teams are self-managed. All the members of a team participate in setting the goal of the team. Along with setting the goal, team members also set the deadline of the project. 2. Self-responsible team members: Each team member is responsible for his own work. No one from the higher management pushes the employees for their work. The only goal of the team members is to launch the product within the projected time; and they work hard to meet the deadline. 3. Non-hierarchical management: Playdom does not believe the concept of boss.

There are project managers for each project, but they always give a feel to other team members that he is not the boss; he's just one of them. 4. Non-hierarchical work place: The workspace of Playdom is just a wide-open space. There is no special room or place for the higher management. Everybody shares the same workspace. 5. Performance Appraisal: Only the higher authority does not make Performance appraisal. Every team member evaluates the performance of other members of the team. Even the

subordinates evaluate the performance of their superior. 6. Employee suggestions: Suggestions from employees are highly appreciated in Playdom. Employees can give suggestions for the betterment of the projects and also in any managerial or organizational decisions as well.

#### 4. Conclusions and Suggestions

Many employees want to become more empowered. If they are allowed to play a meaningful role in the organization, feelings of self – esteem will increase and they will contribute their abilities and efforts to help the organization succeed. Participation is an important vehicle for empowering employees. Participation is the mental and emotional involvement of people in-group situations that encourages them to contribute to group goals and share responsibility for them. Some managers have difficulty adjusting to their new roles in high – involvement system. They may still cling to theory X beliefs and assumptions, they may fear losing their former status as key decision maker, or they may be concerned that they will have less power and control than previous. To a large degree, there are perceptual sources of resistance but still very real factors. Even more powerful forces acting against the success of participative programs are an organization’s failure to properly prepare either their managers or employees for new roles in an empowered environment. A substantial investment in training is often required, and key issues needed to be addressed.

Carefully designed pilot program often help pave the way to later success, or else problems encountered in early stages may sabotage the larger effort. One of the greatest impediments to success is the lack of support for or even

resistance to participative programs by top management. In spite of its numerous limitations, participation generally has achieved substantial success. It is not the answer to all organization problems, but experience does show its general usefulness. The result clearly shows that participation has broad systems effects that favorably influence a variety of organizational outputs. The benefits may not appear immediately, however. When one company adopted participative management, it predicted it would take ten years to achieve the full effect. Once the organization's culture is changed, then the system as a whole becomes more effective. The demand of employees to gain more power and use their talents is neither a passive fancy nor a competitive advantage to be ignored. It appears to be rooted deeply in the culture to free people around the world, and it is probably a basic drive in human being. Participation has been so successful in practice that it has become widely accepted in more advanced nations and will become an important tool in the progress of developing nations.

## 5. References

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