



PARTICIPATIVE MANAGEMENT IN LEADING EDGE ORGANIZATIONS

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ABSTRACT:

The Paper deals with importance of participative management in modern organizations. Participation as a social system is a complex and dynamic product of human behavior. In spite of definite limitations, it has great potential in addressing many issues confronting organizations. Regardless of whether it is intentionally and rationally created or whether it emerges as consequence of many and sometimes fortuitous factors, participation serves a variety of values and goals and takes on different structural and operational properties in various configurations resulting in a variety of desirable results. However, much depends on the prevalent culture in an organization. The study in question attempts to dig out theoretical underpinnings of participative management and its relevance for contemporary organizations by critically reviewing the existing literature.

KEYWORDS:

PARTICIPATIVE MANAGEMENT, CULTURE, ORGANIZATION EFFECTIVENESS.

INTRODUCTION:

There has been a enlarge movement around the globe toward more Participative methods of decision-making. Academics and practitioners have, in general, endorsed the viability of participation in areas as different as the organization of work and government regulations. Participative Management is a system of management where-by non-management employees are supposed to be active participants in organizations decision-making process particularly in decisions that affect their work outcomes (Collins, 1997). It may take different forms including formal/informal participation, representative participation (workers unions), consultative participation (Quality Circles) employee ownership (employees as stockholders), and so on. This endorsement reflects the preference of contemporary managers for the new style in today's increasingly competitive and turbulent world. The effectiveness or otherwise of participative management is often evaluated in terms of various outcomes, including workplace democratization, conflict resolution, job satisfaction, employee commitment and morale, productivity, employee development, and efficiency (Cotton et al., 1988). Participation management is, however, not a cure-all prescription. It passes through its stage of infancy. Its effectiveness in solving organizational problems is yet to be precisely determined. The study in question attempts to critically evaluate the effectiveness of participative management by reviewing relevant literature on the subject.

ORIGIN OF PARTICIPATIVE MANAGEMENT:

Participative management (PM), origin of which is traced by most writers in the academic literature to the post-World War II writings of scholars, such as Kurt Lewin, Douglas McGregor, Chris Argyris, H. Igor Ansoff, and Michael Porter (Kaufman , 2001). However, a number of management scholars have also written at more length on the origins and history of PM, such as Carroll and Schuler (1983) said that participatory management can be traced to the early 1960s, the writings of behavioural scientists, such as Douglas McGregor and Rensis Likert. Furthermore, Stanton (1993) believes that the origins of PM to two behavioural scientists, Lester Coch and John French, who wrote in the late 1940s but on the issue of organizational change (Kaufman, 2001). Another opinion is stated that the writings of social psychologist, Kurt Lewin, inspired the concept of participatory management Cotton (1994).

“Participative management should be looked at as an evolution of the organization that will ultimately lead to achievement of corporate objectives” (Yohe, 2003). In the 21st century, research shows that employees are starting to make more demands on their employers. They want to be parts of a team and they want more involvement in decision-making (Shagholi and Hussin, 2009). Undoubtedly, today, in order for an organization to be successful, it should care its employees as important assets and keep them satisfied. Since the increasing pressure of world stiff competition and the complexity of decisions, organizations should shift to more cooperation and participation to increase their performance. It seems that PM as an alternative to the traditional” command and

control" (Kaufman, 2001) likely be applied in a great number of organizations in future, as the improvement in this case can be seen.

EMPLOYEE PARTICIPATION:

"Employee empowerment or participative decision making is neither a new or simple management concept". Employee participation is a complex management tool which can be effective in improving performance, productivity and job satisfaction when applied properly (Nykodym et al. 2008). With increasing globalization, industry is under intense pressure to produce high quality, specialized 'high-tech' products and services, all of which require a flexible and highly trained workforce. The one of the intent of participation is developing cooperative and strong workforce. (Howcroft and Wilson 2003) Employee participation can be interpreted in three distinct ways.

First, it can be seen as 'industrial democracy'.

Second, it may represent that subordinate employees involve more in one or more aspects of organizational decision making.

Third, it may show a specific evolutionary development to promote greater employee influence within the organization. Salamon (1992) (Huang, 1997)

According to Marchington and Wilkinson (2005), employee's participation in decision making moves upward in progression rather than a simple movement from no participation to full control. Moreover, participative management may be indirect in some situations and direct in others. Indirect participation may take different forms such as worker directors, joint consultative committee, and collective bargaining agent etc. Employees can also voice their views directly through attitude surveys, interviews, and emails etc.

WHY AND WHY NOT PARTICIPATIVE MANAGEMENT?

On the basis of Likert's findings, Keith Davis in his supportive model mentioned that when employees feel a sense of participation and task involvement (in a psychological supportive climate), they will identify with the organization, take responsibility, and strive to contribute to the organization's objectives (Crane 1979). So, it seems that in order to reach the goals in the organization with better performance, participatory management can be a good choice. Participation will provide employees, who are motivated and trained to initiate their own decisions, to work effectively in teams (Howcroft and Wilson 2003). Another important reason for social transformation to participation is that participation as both a means and an end seeks to strengthen people's capacity to make decisions and their ability to create an environment for change (Vernooy, Qiu, and Jianchu 2008).

Participative management enhances organizational effectiveness or impedes it requires an analysis of various organizational responses to environmental changes. First, structural changes in the business world potentially favour

participative management. Specifically, as organizations reduce layers of management, they need to rely more on the active involvement of employees at all levels for activities that once were the prerogative of management.

Second, competitive conditions favour the diffusion of employee involvement practices. In particular, Lawer, et al. (1992) found that in the face of substantial foreign competition and shorter product life cycles, organizations were more likely to share with employee key information on operating results and competitors performance, to invest more in training, and to adopt non-traditional power and reward systems favoring employee involvement.

Several research studies have been undertaken to determine the effects of participative management on various outcomes. Personality growth, development of individual potential, and mental health are the desirable outcomes of involving employees in decision-making in the context of organizations (Mc-Gregor, 1960; Argyris, 1964; Likert, 1967). These theorists assume that human beings, owing to their very nature, strive for self-actualization, which means the need to be active, independent, and capable of self-control through awareness of their potential.

Productive efficiency is another rationale underlying participation. When employees are involved in decisions relating to how the work is organized, what is done, and who does what, their morale and self-confidence increases with the result of enhancement of productivity (Fleishman, 1965). However, there is significant pressure on management to abandon participatory mechanisms when it becomes apparent that employee involvement is not increasing productivity or profitability to the anticipated degree (Collins, 1997).

The cognitive models of participative affects suggest that capabilities of subordinates are more meaningfully utilized and job satisfaction is increased as a result of involvement. Managers often believe in involvement simply for the sake of involvement, because they think that as long as subordinates feel they are being consulted, their ego needs will be satisfied and they will be more cooperative (Ritchie & Miles, 1970). According to French and Israel (1960), one effect of a high degree of participation by workers in decisions concerning their work will be to strengthen their motivation to carry out these decisions. Such participation satisfies such important social needs of employees as the need for recognition, appreciation, and independence.

Despite strong support both from academics and practitioners, participative management is not stainless altogether. Some researchers argue that owing to the winds of change, the contribution of participative management is overblown. One of the problems with formal legal participation is that of political polarization, the formal group representatives tend to harden their positions to challenge their defined adversaries and to impress the group they are representing (Rushefsky,

1991). Ongoing interaction may sometime lead to the institutionalization of conflicts rather than collaboration (Ring & Van-de-Ven, 1994). The researcher also notes that the repetition policy conflicts may cause polarization and mutual hostility and it gives each faction incentive to stand firm to keep opponents from easy concessions in future disputes. Participative management may also be interpreted by employees as symbolic at best and manipulative at worst (White, et al., 2003). Difficulty with participative systems arises when major structural changes are proposed. Moreover, participative management may bring more harm to organizations than good when employees lack the required abilities, attitudes, and values (Blumberg, 1969).

CONCLUSION:

Participative management has become crucial for modern organizations. Due to changing dynamics of organizations in the wake of global competition, change in the nature of work, and increased social pressures, contemporary managers are striving to attain and retain competent and committed workforce by offering them different incentives including opportunities of involvement in decision making. The scope and scale of employee participation, however, vary from one organization to another and the outcomes of participation depend to a larger extent on the organizational context. It may not work in an organization, which is devoid of norms of bureaucratic behavior, i.e. rule of law, rationality, professionalism etc. If these norms do not exist in the society at large, it may make the things worst if participative management is practiced in an organization. Review of various research studies, undertaken for the present study, reveals that participative management is a double-edged sword and needs to be used with due consideration given to many contingent factors. It is, however, an uncontested fact that knowledge workers can and should not be treated like the conventional factors workers. They want autonomy, participation, and sense of achievement besides financial incentives in order to contribute to organizational goals and stay for long.

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