Participative Management: Selective Means Effective

J. Kenneth Matejka
University of Richmond

D. Neil Ashworth
University of Richmond, nashwort@richmond.edu

Follow this and additional works at: https://scholarship.richmond.edu/robins-white-papers

Part of the Business Commons

Recommended Citation

This White Paper is brought to you for free and open access by the Robins School of Business at UR Scholarship Repository. It has been accepted for inclusion in Robins School of Business White Paper Series, 1980-2011 by an authorized administrator of UR Scholarship Repository. For more information, please contact scholarshiprepository@richmond.edu.
PARTICIPATIVE MANAGEMENT:
SELECTIVE MEANS EFFECTIVE

J. Kenneth Matejka
Associate Professor of Management Systems
D. Neil Ashworth
Assistant Professor of Management Systems

E. Claiborne Robins School of Business
University of Richmond, Virginia

1984-17
Participative management has been a hot topic of debate for decades. Intuitively, if workers are allowed to take part in decisions that affect their work lives they should be happier and, therefore, more productive. While this hypothesis is attractive, especially to caring managers and writers, the effective use of PM has proven to be much more complicated than originally anticipated. What is PM? What costs are associated with PM? What benefits does PM produce? When can PM be used most effectively?

To date, management experts and practitioners have agreed to disagree regarding PM. Conflicting and ambiguous studies and experiences abound. In view of the recently uncovered complexity and resulting confusion surrounding the use of PM, this article will attempt to clarify the relevant concepts and direct us toward an effective, selective approach.

What is PM?

The term PM involves subordinates taking part, to varying degrees, in joint decision-making with superiors regarding their work and the organization's work. This covers a lot of ground, from narrow task inputs to broad organizational targets. Participation itself can be viewed as anything from a process of influence to particular programs. At the core is a co-determination of decisions, ranging from subordinate-centered to superior-centered. On one end of this continuum, are true joint decisions within organizational limits. On
the other end are tentative management decisions subject to change after subordinate inputs. The real essence of PM translates into a climate that facilitates a true give-and-take on meaningful issues. Some organizations use a manipulative approach that looks like participation, but: 1) the issues have already been decided and the "appearance" of participation is offered; 2) the give-and-take occurs only on insignificant matters which do not impact on any core values or attitudes; or 3) participation is forced on people, regardless of their wishes.

Operationally, varying degrees of participative philosophies can be found within particular management programs, such as autonomous work groups, work teams, MBGO, and Japanese management.

The Costs of PM

Any management approach costs the company something in order to use it. Conversely, not using a technique has its own price. Ideally, the benefits of using any management method should outweigh both the cost of using it and the cost of not using it.

The largest cost involved in PM is the time involved in using the approach. Managers' and subordinates' time, both in meetings and preparation for meetings, are a significant cost of PM. While this would make PM more expensive in direct labor costs than an automatic or autocratic decision-making process, the total cost comparison is argumentative due to less time being spent in successful implementation when PM is used. In other words, you can "pay now" or "pay later"! Time spent participating reduces time spent implementing. The research has shown that people who are involved in the process of deciding are more committed to seeing the decision become reality.
Time is not the only PM outlay. There are also psychological costs tied to PM. Superiors may feel threatened by: a fear of dealing with well-informed subordinates; a fear sharing control and power; a fear of being seen as weak; and a fear of lack caused by a lack of participatory skills. Subordinates may resist participation because of: a preference to be "told" what to do; a fear of failure; a fear of accepting responsibility; a fear of the unknown (an expanding role); and a lack of visible incentives to change. The opportunity costs involved with not using PM include possible task ambiguity, alienation, frustration, poor morale, low commitment, higher turnover and absenteeism, and lower long-term productivity.

Benefits of Employee Participation: Confidence, Clarity, Challenge, Commitment!

What is the real value of participation? Why should a firm consider employee involvement? There are a number of benefits which can be derived from management's use of employee participation in the decision making process. While specific reasons may vary from individual to individual, several key opportunities seem to be the most prevalent in deciding whether to encourage more active involvement by employees. The initial step, which is most often overlooked, is the discussion with subordinates about whether participation is desirable and, if so, where it is most appropriate. This opportunity to show concern and respect can lead to greater confidence (trust) between a boss and subordinates. It also eliminates an inappropriate prejudice about the desirability of involvement. Assuming that participation is desirable, the discussions between a manager and his/her subordinates represent an opportunity to
achieve greater clarity regarding the roles and expectations of both parties. Less confusion or misunderstanding is likely when an individual has an opportunity for some level of input, even if it is in the form of questions or more in-depth explanation of the targets being established and each party's involvement in the successful outcome.

In addition, it has been found in a number of studies that nurtured participation can lead to the challenge of setting more difficult goals for the individual and the organization. Poor perception of an organization's expectations coupled with a possible lack of awareness and confidence in one's skills and abilities can often lead to subpar performance. Interactions between supervisors and subordinates can afford an effective opportunity to explain the underlying needs for the organization's or department's goals. Moreover, such interaction enables the supervisor to offer assistance or instill more confidence in the individual not only to achieve the stated goals, but also to exceed them. The climate of meaningful participation has a positive effect on achievement motivation, which can translate into increased long-term organizational performance.

A fourth factor explaining the use of employee input in the decision making process is the level of commitment that is enhanced by individuals having a say in those issues that affect them. That is, employees who are provided with an opportunity to become more actively involved in reaching a decision are more likely to feel some obligation to implement the decisions relative to those individuals who are merely told what to do. There is far less resistance to the change!

In sum, employee participation, if agreed upon, enables an individual to have a clearer understanding of what the organization (or
department) is seeking to accomplish, what his role is in carrying it out, the opportunity for growth and challenge in setting more difficult goals, and a feeling of greater commitment to the goals or decisions once they have been made. Consequently, the organization can expect that the additional investment of time for discussion between managers and their subordinates will result in a positive, albeit indirect, impact on morale, performance, and productivity for most employees.

Considerations in the Use of Participation

When should participation be used? Given the logic behind the promotion of greater employee involvement in the management process, why is it not in considerable use in all organizations? Isn't participation always appropriate? A number of studies addressing the use of participation in goal setting in particular and decision making in general have found that while participation does not have a consistently significant effect on performance, some studies have found participation to have a positive effect on employee satisfaction. Participation seems to increase morale and, therefore, improve the work climate, while reducing absenteeism and turnover. The research conducted on the effects of participation is inconclusive. Not everyone wants to participate, not on all issues, and the resulting performance varies among workers. This is not surprising.

A common sense recommendation is to consider the propriety of using a "situational approach" to participative management. With this approach, management is not confronted with an either/or proposition, but, rather, considers a number of factors to determine if participation
is a viable approach in a given situation. What are the appropriate criteria to consider?

Initially, as previously mentioned, management must consider which employees truly desire to participate. Many individuals may not relish an opportunity to participate due to such reasons as a fear of making incorrect decisions, perceived lack of ability to reach goals, a personal dislike or distrust of the manager, or a lack of appropriate and valued incentives offered by the organization to become more active in the management process. Forcing unwilling subordinates to participate is counterproductive! The subordinate should be encouraged to become involved, but a choice of non-involvement should be respected.

A related issue dealing with the desirability of participation concerns the generalized cultural needs of the American worker relative to those of other countries, notably Japan. Much has been written about Japanese management and the results achieved with such a participative style. What we must realize, however, is that Japanese workers are much more homogeneous than American workers. They are motivated by shared social needs and place paramount value in becoming the ultimate "team player." Conversely, many American workers' sense of purpose may be directed toward standing out in his/her particular environment rather than blending in. But the diversity of values found in the melting pot called the U.S. may preclude generalization and force an individual-by-individual check. The typical American drive to achieve through differentiating oneself (competition), if present to great degrees, may sometimes supplant a participative management approach which tends to encourage effective team building.
In addition to the worker's perceived value of participation, it is likewise important to consider a manager's desire to engage in participation. The use of participation implies that a manager will relinquish some of his/her control. Such willingness may not be forthcoming because a manager may not want to forfeit any of the perceived power that has been acquired over time or it may simply be a case of not trusting in the subordinates' perceived ability to make decisions.

Another factor that management should consider before committing to employee participation is the type of tasks involved. In a given situation, a specific task may be routine and repetitive in nature with employee input contributing nothing more than symbolism and manipulation with respect to performance. Conversely, the task may be very complex and require expertise beyond the scope of the manager. In such a situation, input from others may not be optional but rather required in order to accomplish the organization's goals and objectives. Finally, each subordinate performs a variety of sub-tasks, some of which they are competent at and some of which they need development on. Each employee has different levels of competence on each separate task, making participation more or less desirable!

Paralleling the issue of task complexity is the amount of time available for a decision to be made. Regardless of the task or individuals involved in a particular situation, there may not be sufficient time to engage in lengthy discussions or debates if a critical deadline is at hand. In such a situation, management will generally be limited to unilateral action. Conversely, the availability of sufficient lead time will offer a more appropriate arena for supervisor-subordinate discussions.
The utility of participation in a given situation may also rest with the manager's perceptions of the skills, aptitudes, and roles of those individuals being considered for participation. Not all tasks will require a multitude of diverse and highly specialized skills. In such a case, there is not substantive gain from soliciting input from others. Of course, if one's subordinates have demonstrated a wide diversity of skill in dealing with relatively complex tasks, a manager should be encouraged to engage in some degree of participation when such tasks arise.

Finally, a manager must consider the incentives that are available to those individuals who participate. There are, of course, the intrinsic rewards for participants if the opportunity to take part is highly valued. However, all employees will not want to participate with the manager and, thus, the mere act of participation may not only be rejected as an incentive but may be recognized as a hindrance to task-related activities. The issue of incentives may also be addressed in terms of extrinsic rewards that the organization is willing to make available to participants. That is, an individual's willingness to take on greater responsibility and additional tasks may command some type of financial incentive such as additional salary or a bonus. The key to establishing the type and amount of incentives that will enhance the employee's willingness to participate is to find out what incentives are most valued by the employee. Most recently, the investigation of Japanese management has shown how the perceptions of participants' value can be culturally determined.
Conclusion

Many studies addressing the utility of employee participation have produced results that are confusing to those who advocate employee participation in the workplace. However, it is critical that participative management not be regarded either as a problem or as a panacea. It can create indirect benefits to an organization in terms of increased employee satisfaction and morale as well as contributing to other areas such as goal achievement, training, development, and future competence and flexibility. On the other hand, PM takes up-front time and reduces management discretion in decision-making.

What is being suggested in this paper is the advisability of taking a situational approach to the use of employee participation. Some situations will objectively dictate that participation will simply not contribute to the organization’s goals and objectives because of such factors as excessive time constraints, simple and routine tasks, a lack of skills among the employees, or an unwillingness of employees or managers to participate. Other situations can afford great corporate opportunities for participation to effectively increase performance.

In sum, the ability to analytically and selectively use PM enhances a manager’s flexibility and resulting efforts to make the best decision for the organization in a particular situation. As the situations change, however, a participative approach may not be a viable approach and could even prove disastrous. Therefore, a manager should not rule out the use of participation but, rather, be able to expertly discriminate between those situations in which participation will be a positive motivational force and those in which participation is inappropriate. The manager should be neither an advocate nor an opponent of PM.

Remember . . . with participative management, selective means effective!