

Chapter 12: Participative Management

1. Objectives:

After studying this chapter you should be able to understand:

- Concept and benefits of Participative Management
- Essential requirements for successful Participative Management
- Problems of Participative Management
- Different types of Participative Management
- Different Methods and Techniques for Participative Management

2. Definition:

Type of management in which employees at all levels are encouraged to contribute ideas towards identifying and setting organizational goals, problem solving and other decisions that may directly affect them. Also called consultative management.

OR

An open form of management where employees have a strong decision making role. Participative management is developed by managers who actively seek a strong cooperative relationship with their employees. The advantages of participative management include increased productivity, improved quality and reduced costs.

3. Introduction:

Participative (or participatory) management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies and implementation of solutions. Employees are invited to share in the decision making process of the firm by participating in activities such as setting goals, determining work schedules and making suggestions. Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles or quality-of-work-life committees; and soliciting survey feedback. Participative management however involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration & respect.

Fore Processes Influence Participation:

1. Information-sharing
2. Training
3. Employee decision making
4. Rewards

Summary

4. Benefits of Participative Management:

- A participative management style offers various benefits at all levels of the organization. By creating a sense of ownership in the company, participative management instills a sense of pride and motivates employees to increase productivity in order to achieve their goals.
- Employees who participate in the decisions of the company feel like they are a part of a team with a common goal and find their sense of self-esteem and creative fulfillment heightened.
- Managers who use a participative style find that employees are more receptive to change than in situations in which they have no voice.
- Changes are implemented more effectively when employees have input and make contributions to decisions.
- Participation keeps employees informed of upcoming events so they will be aware of potential changes.

5. Requirements of Participative Management:

- A common misconception by managers is that participative management involves simply asking employees to participate or make suggestions.
- Effective programs involve more than just a suggestion box.
- In order for participative management to work, several issues must be resolved and several requirements must be met.
- First, managers must feel secure in their position in order for participation to be successful. Often managers do not realize that employees' respect for them will increase instead of decrease when they implement a participative management style.
- The success of participative management style depends on careful planning and a slow-phased approach. Changing employees' ideas about management takes time, as does any successful attempt at a total cultural change from a democratic or autocratic style of management to a participative style.

6. Concerns:

- Upper-level management will not support a participative management program if they believe employees are not meeting their daily or weekly goals. Some suggestions for overcoming this potential problem are to set aside a particular time each work for workers to meet with management in order to share their ideas or to allow them to work on their ideas during less busy times of the day or week.
- Another idea that works for some managers is to allow employees to set up individual appointments to discuss ideas or suggestions.
- Managers should remember that participative management is not always the appropriate way to handle a given situation.
- Employees often respect a manager that uses his/her authority and makes decisions when it is necessary.

Summary

- There are times when, as a manager, it is important to be in charge, make a decision and then accept the responsibility for the choices made.

7. Methods & Techniques of Participative Management:

- Work Committees
- Co-partnership
- Employee Director
- Joint Management Councils
- Suggestion Scheme

8. Different Methods and Techniques of Participative Management:

- Company Leadership Support
- Employee Engagement
 - Education
 - Incentives
 - On-site fitness professionals
- Keeping consistent participation
 - Presence
 - Programming
 - Promotion