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Participative Management

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Conceptual Overview

The theory behind participative management originated in the 1930s as a result of a business study conducted by Elton Mayo, who explored Frederick W. Taylor's scientific management principles. His findings challenged Taylor's views, which emphasized the importance of social norms, such as communication, participation, and leadership (Marchant 1976). Decades later, renewed interest in participative management hinged upon the desire for seeking better management practices, namely top-notch quality management systems, better employee relations, and integrated design and production teams (Lawler 1996). Lawler's (1990) research outlines the benefits in quantifiable terms:

- improved, more innovative and efficient work methods and procedures
- better communication between management and workers across work units
- attraction and retention of employees
- reduced tardiness, turnover, and absenteeism
- greater staffing flexibility
- increased service and product quality
- higher productivity and output
- reduced staff support and supervision requirements
- more effective resolution of conflict and reduced number of grievances
- better decisions
- expansion of staff skills
- improved morale and job satisfaction

Collectively, participative management goals provide competitive advantages for public and private sector organizations. Numerous Japanese companies served as a shining example of this business philosophy in the 1970s. Japanese organizations that followed this course became the international model for enhancing product quality and employee productivity by adopting group-work, team-consciousness, quality circles, and decision-emerging processes that led to greater economic impact (Beer et al. 1990). Toward instituting these practices in the United States, the 1980s experienced a dramatic expansion in the variety of employee participation efforts, as well as the number of organizations willing to apply participative management strategies (Branch 2002).

The view of participative management in America has evolved into an organic and comprehensive

governance system of its own—one that replaces the more traditional and rigid bureaucratic hierarchy. Hierarchical structures are not well suited for organizations that manage knowledge-intensive tasks. In Lawler's (1996) view, new logic structures must arise to fully embrace participative management (e.g., organizations designed around structures versus organizations designed around products and structures; effective managers as key to organizational effectiveness versus effective leadership as key to organizational effectiveness). Conversion into a participative organization is seen as a way for an organization to build key capabilities essential for success in a contemporary organizational environment (McLagan and Nel 1995; Bartlett and Ghoshal 1991; Case 1998).

Critical Commentary

Participative management is not without its negatives. There are many hurdles a company would have to overcome in order to instill an environment that can thrive using participative management. Some employees do not want the responsibility of decision making. They are happy just doing what they are told to do. Other employees are not educated or experienced enough to help make decisions. These employees would need to be trained. Some employees will feel that with the increased responsibility of decision making should come an increase in salary. Both training and salary changes will cost the company money (Branch 2002).

Increasing the number of people involved in the decision making process can lead to an increase in the time it takes to make those decisions. It is much quicker for one person to make a decision than for a group of people to fully share their opinions and come to a consensus on a topic. Branch tells of the lost time due to having a number of people who must understand and accept the decision.

Middle and high level management can also be a hurdle to implementing participative management. Some managers will not easily accept the transfer of power to the masses. They will fear losing control. Others may have never experienced such a system. Leading a change in culture is difficult, and leaders must be ready to make a multiple year commitment (Simmons 1990). Simmons also states that making a change that affects the very core of a culture is more difficult than launching a new product or establishing a new division, yet it is rarely given the same energy or resources as those tasks. People are resistant to change, especially if the system they are currently using works.

Summary and Conclusion

Some people such as Dennis Collins argue that "...workplace democracy is inevitable." While this is not a proven movement, more and more companies are giving participative management a chance. McNabb and Whitfield find that larger establishments that are part of big organizations have a strong willingness to embrace different forms of employee participation. Also, workplaces that have been recently established and those that make use of advanced technology are more likely to have introduced some form of employee participation schemes.

As new companies enter the organizational fray and technology based companies and services continue to multiply, it is a reasonable assumption that they will make use of proven organizational systems. New organizations will have an easier time instilling the culture of participative management, than older organizations that have to go through a change in culture. With more studies being conducted on the success of organizations that use participative management, new organizations will more be more likely to adopt this form of management into their core values.

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