

Identifying the Most Important Organizational barriers of Participation in Keshavarzi Bank in View of Staff of Branches: Case Study of Tehran City

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Received for publication: 04 January 2016.

Accepted for publication: 25 May 2016.

Abstract

System of offers follows main goal of human resource development. In fact, presenting system of offers is considered as a way for growth of human resource and optimum utilization of resources, and consequently development of organization. At this level, most appropriate ideas are sparked in the mind. The human can be idea-creator just when his mind is deeply involved with the problem, and this mental challenge is applicable just with deep sense of responsibility. In this regard, the current study is aimed at identifying the most important organizational barriers of participation in Keshavarzi bank in view of staff of branches; also, the methodology used is of descriptive-survey type. Generally, the research findings indicate that set up of this system is influential in Keshavarzi bank, and the staff are not much satisfied with its implementation.

Keywords: organizational barriers, participation of staff, participatory management, suggestion system

Introduction

Today, optimum and proper devotion of resources for managers necessitate awareness of modern methods of organizational management and applying it due to environmental condition. One of the relatively successful methods is 'participation management' with almost a century of history in developed countries. In this method, control of facilities is based on participation in resources and benefits (material) and decisions and opportunities (mental) that, in fact, is participation in management and ownership (Khayat Moghadam et al, 2013).

One of the primary steps of establishment of cooperative system is use of system of receiving and assessing suggestions. This process includes presentation of suggestions, ideas, innovations, and opinions of different staff to resolve problems and failures in organization. The important technique to manage organizations is utilization of thoughts or main wealth of institutes, e.g. information of staff (Rahnavard, 2001). The system of offers, in fact, is a fundamental change in organizations due to its results in different countries; and if it is recognized properly and established systematically, then it could help banks to resolve most problems.

In traditional systems, on the other hand, the bureaucracy system puts the power legally in hand of a few top managers of organization, and low-level employees just execute the orders. At this level, managers are responsible of thinking and decision making while employees would execute them. These regulations often cause legal barriers for participation of staff, and this is common in most of our firms and organizations.

In the recent years, we observed main changes in the field of participatory management (system of offers) in most organizations, and public organizations were also obliged due to government's development plan. The significant results of implementing this system are clearly

observed in developed countries, and even in some Iranian in firms; obviously, proper implementation of system of offers depends on creating necessary condition in organizations, particularly public ones (Safdari et al, 2009).

In other words, this study is aimed at identifying problems and barriers available for system of offers; it also wants to organize and direct employees in path of participatory management, group decision making, and utilizing their intellectual creativity. The system of participatory management is a new glance at organizational affairs, thus, it should be treated principally, logically, and informed with reliance on theoretical principles.

Definition of participation and participatory management

It is hard to define participation, since it has not a same meaning in different cultures. In other words, participation in decision making is imagined as a single concept, but it is performed in different ways (Cotton et al, 1988). That is why people have different perceptions of the concept 'participation'. Many researchers and authors talk about participation without defining it. Sharjel (1970) believes that participation in decision making is a pleasing concept in many countries, but most people that use this term would think different about it. For example, Bull Diboll (1989) calls cooperative decision making as 'political participation' at group, department, and organization level differentiating it from 'social participation' and 'financial participation'.

So, it is observed that there are multiple definitions considered as a reflection of several viewpoints. It seems that finding a comprehensive definition is not very difficult. The definition of participation is partially true based on one of its dimensions. What is seen less in these definitions refers to definition of participation based on all of its dimensions. Thus, it is necessary to redefine participation based on its several aspects. Accordingly, participation could be considered as process of employment of staff in strategic/tactical decisions happening formally/informally with direct/indirect form at specific degree, level, and range (Rahnavard, 1999).

Participatory management is 'creation of a space and system by management in which all staff, costumers, and contractors of an organization would participate in process of decision making and problem solving'. The main emphasize of this type of management is on voluntary cooperation and participation of staff, costumers, and contractors intending to use their ideas, suggestions, innovations, creativity, and technical/professional potential to solve organizational problems and to improve its activities regularly (Tousi, 1993).

From efficiency viewpoint, participation is a way to decrease cost, inefficiency, sabotage, and also consequences caused by dissatisfaction in workplace. This approach simply seeks to relief dissatisfaction of employees and to enhance their health through improving creativity and self-respect. It depends on management; the manager handles such decision making programs and prefers involvement of staff. The generalization of such approach to public sector organizations of Iran -with a non-profit nature – is somehow difficult. But private organizations and firms of Iran often turn to participatory management (Ekrami et al, 2010).

Barriers and limits of participation

Participation is alike a plant not growing in human environment easily. Strong beneficiary groups induced by personal greed would create several barriers in the path of people's political and economic power including legal systems, bureaucracy limits, social values and traditions, and improper distribution of assets.

Mayer believes that group and participatory decision making has disadvantages as below:

- Group work is slower; the group spends more time to achieve final decision and waste of time is equal to waste of capital.

- the attempt of group leads to compromise and from efficiency viewpoint , it is not always considered as desired decision making.
- the group is mostly influenced by a person or sub-group.
- more than enough dependency on group decision might constrain management capability for immediate and decisive action in urgent cases.

Generally, there are 8 concerns about implementation of partnership: the supervision would loss, decision making process would prolong, group thought would decrease quality and efficiency, individualism would fade, indifference would be a thread, rights and tasks would not be balanced, the focus on performance would eliminate, and the management would recede (Parizi and Ta'ati, 2001).

Also, public management is different from private sector. In this regard, there are 3 main differences constraining participatory management in public sector:

1. Accountability: public sector has a sensitive environment about accountability against its tasks and missions. In such a situation, the manager prefers to protect his organization by observing rules and regulations, to avoid risks, and to entrust authority and decision making to those with more responsibility.

2. Performance evaluation: public sector typically does not benefit from a clear criterion (e.g. profitability) to evaluate organizational performance. Accordingly, it cannot allow centralized units to perform independently in accordance with procedure of private sector. Thus, it is very difficult to measure performance of most employees of public sector. The simpler way for public sector is to force employees observing working methods of central organization. For this reason, public managers often cannot document profits yielded through participation method. It is interesting that public sector is more accountable, but its staff have less responsibility.

Political legitimacy

The most fundamental difference between public and private organizations is selectivity theory of democracy system. According to this theory, it is not assumed that public staff would participate in decision making or have autonomy; rather people select legislators and senior executive managers to approve and perform strategies, respectively. The role of appointive staff is daily implementation of affairs, and not to influence on strategies. This system causes two-layer public services composed of political appointive principals in upper layer and professional staff in medium and lower levels; this form of two-layer management leads to centrality of affairs. On one hand, high level political managers have no trust to professional employees; they usually transfer supervision to upper sectors of organization to prevent participation of professional staff. On the other hand, public staffs fear from immediate decisions of political principals; they establish strong employee organizations (ForoughiNasab, 2008).

Suggestion system

Suggestion system is one of the human systems and factor of productivity improvement. This system collects, evaluates, and sometimes implements suggestion of staff about organizational development with a specific plan and mechanism. The bidders, in return, are encouraged by organization materially and immaterially. The first step to encourage employees regarding work efficiency was paved by Alfred Croup in steel making factory in Aachen, Germany (1867); he had paid a brief amount to employees in exchange for suggestions.

At the beginning of 20th century, suggestion system was implemented in Bale factory and some US industrial banks such NCR. In 1904, one of the most determined executive programs of suggestion system was implemented in George Cadbury chocolate factory receiving 60000 and

81000 suggestions from women and men staff, respectively; it paid cash reward of 832.12 lira for these suggestions (Safdari, 2009).

After World War II, suggestion system was implemented in US like many management systems and techniques; today, more than 90% of US first grade banks implement suggestion system. Further, according to US administrative law all public institutes have a specific department, budget, and formation to implement suggestion system; annually, memorial gift and rewards is awarded by US president to best bidder of the year. Also, about 4000 industrial and service units of US private sector use this system (Tousi, 1996).

Currently, suggestion system is one of the most appropriate, safe and accessible participatory programs in Iran. The most important benefits are listed below:

1) This system could be implemented individually or in group, so there exists no limitation and all people can present their suggestions either individually or in group. Particularly, a person might sometimes have a suggestion that is better to be presented individually; otherwise, the suggestion is more applicable and useful when presented in group. Thus, implementation of this system provides required freedom to present several acceptable suggestions.

2) Using this system needs not previous specific teachings, though this does not negate value and importance of education since it could be helpful and effective anyway, i.e. implementation of this method does not put aside people without previous specific training. The experience shows that non-trained people also present helpful and valuable suggestions.

3) The activity range of this system could be presented in a free and extensive and/or specific and constrained format. Extensive activity means that staffs are free to present any suggestion (as personal initiatives and innovations) for development of organizational goals. Here, there is no need to have staff with previous specific backgrounds. Rather, management of organization wants the staff to find solutions for the same problem and to propose what comes to their mind. Existence of such a freedom helps employees to participate in any filed they are capable of (Ghasemi, 1998).

4) It is not costly to implement this system. Since it is enough to write any suggestion with simplest form on specific papers and give them to relevant authorities.

5) The simplicity of this system itself is an important and valuable feature that provides possibility of implementation at level of different industries with several activities. Also, it is a suitable field to teach and direct employees in order to use more technical and advances systems such as total quality management system.

6) In this system, the staff can comment in each work directly related to them; they also can comment about any other items. Thus, activity domain of this system could be either limited and/or extensive.

7) The bidder can be present and comment an all levels that his suggestion is under evaluation, but he usually has no role in execution of suggestion.

8) In this system, each material and immaterial encourage have their unique place, and are used based on necessity (Rahnavard, 2001).

In suggestion system, all staff would be interested to participate in organizational problem solving. At this level, many suitable ideas are sparked in mind, since just human beings can be creator of ideas and comments; his mind would deeply involve with problem and this mental conflict is just along with deep feeling of practical responsibility (Boroumand, 2001).

Deterrent factors of suggestion system

Implementing the proper system of suggestions in accordance with our national and religious culture has many benefits, but its deployment in practice can face with problems and barriers.

Inattention to these influential factors can direct system toward an improper and undesired path, and the problems occurred could also immediately be attributed to the above system (Hosseini, 2006).

The factors influential on success of suggestion system are divided into two categories of intra-organizational and extra-organizational factors:

Extra-organizational factors

These environmental factors include variables affecting organizations from outside and/or transferring inside organization by employees and staff. Thus, organizations are not practically able to change conditions. Of influential factors is culture of society about participation and understanding of people about it. In current condition, most people are less intended to participate in group work; they prefer to do works alone. Despite emphasize on group work, the intention to this type of work has wakened in our society. In the current situation in which staff and labors face with several problems for their financing, naturally there is not an enough motive for cooperation, consultation, and suggestion. The sociopolitical changes also have deep impacts on intentions and behavior of people; these positive or negative changes unexpectedly pervade into organization by employees. When poverty threatens security and survival of a family, then there is no more space to propose mental needs of people such as participation, freedom of thought, expressing opinions, and evolution of soul and spirit (Derakhshideh and Kazemi, 2014).

Intra-organizational factors

There are different factors in organizations (disregarding their nature of activity) that could have positive (promoter) or negative (deterrent) impacts on success of each managerial method such as suggestion system.

Here, it is aimed to study condition and factors that could perform as deterrent, prohibiting complete success of project. These deterrent factors could be divided to four organizational and cultural, managerial, employees, and administrative. Naturally, there should exist an attention to intra and extra-organizational factors for complete success of a system. Lack of control on mentioned variables can bring adverse effects for organization and its employees.

Research methodology

The method used in this study is of descriptive- survey type. Also, the population of research includes all people working in branches of Keshavarzi bank, Tehran (n= 994). The sampling method is classified random sampling, and there were 162 people selected as total population. Using questionnaires and scientific documents, then, we gathered information. Two descriptive and inferential methods were used for data analysis. Descriptive statistics is used in cases such as extracting mean, frequency, and percentage. Test of variance analysis is used to extract the most important organizational barriers of suggestion system, while t-test is performed to identify necessary platform to implement suggestion system in bank.

Main question

What are the most important organizational barriers of participation (suggestion system) in Keshavarzi bank?

To answer this question, the population of this study was investigated about four organizational barriers of suggestion system. The most important organizational barriers of suggestion system are listed in table (1) due to received answers.

Table 1: The most important organizational barriers of suggestion system in view of respondents

	Organizational barriers	Mean of scores	Total
1	Managerial factors	3.45	24.15
2	Administrative factors	3.25	22.75
3	Structural and cultural	3.14	21.98
4	employees	3.50	24.50

As observed in the table, the factor of employers is recognized as the main barrier among four organizational factors. Next, managerial factors are in 2nd place.

We use variance analysis test to generalize above results to the population and/or to see that whether there is a meaningful difference between mean of scores of suggestion system or not. It is notable that variance homogeneity test was not performed due to equality in number of samples in each group of organizational barriers.

Table 2: Variance analysis test related to organizational barriers of suggestion system

Organizational barriers	Sum of squares	Degree of freedom	Mean square	F	Significance level
Between groups	13.518	3	4.506	10.003	0.000
Inside groups	279.282	6.20	0.450		
Total	292.800	6.23			

As observed in the table, $F = 10.003$ meaning means calculated for each of barriers of suggestion system are meaningful at $\alpha = 1\%$. It is possible to generalize results of sample to the population, thus, the most important organizational barriers of suggestion system are employees and managerial factors, respectively.

Secondary question 1

What are the most important managerial barriers of suggestion system in Keshavarzi bank?

The contradiction of management styles with suggestion system (3.94) and disbelief of managers to suggestion system (3.46) are the most important managerial barriers, respectively. Other managerial barriers of suggestion system are:

- Weakness in teaching of managers about suggestion system (= 3.36)
- Management concerns about disorder and adoption of managerial decoctions (= 3.32)
- Lack of support of management from suggestion system (= 3.15)
- Decline in status of managers (= 2.99)

Table 3: Variance analysis test related to difference in managerial barriers of suggestion system

Organizational barriers	Sum of squares	Degree of freedom	Mean square	F	Significance level
Between groups	126.686	6	21.115	15.844	0.000
Inside groups	1445.929	1085	1.333		
Total	1572.618	1091			

According to results of table above, the difference of means is meaningful at level $\alpha = 1\%$; therefore, it is possible generalize these results to population.

Secondary question 2

What are the most important administrative barriers of suggestion system in Keshavarzai bank?

The most important administrative barriers of suggestion system are lack of exact and on-time expertise (3.65), lack of trained equip in administrative committee (3.47), and failure to pay rewards belonging to suggestions (3.44), respectively. Other administrative barriers of suggestion system are:

- Lack of timely implementation of approved suggestions
- Discriminatory treatment of administrative committee in relation to admission of suggestions
- Lack of enough advertisement in relation to suggestion system
- Weakness of regulation and operating instructions

Table 4: Variance analysis test related to difference in mean of administrative barriers of suggestion system

Organizational barriers	Sum of squares	Degree of freedom	Mean square	F	Significance level
Between groups	68.057	6	11.343	8.587	0.000
Inside groups	1433.192	1085	1.321		
Total	1501.249	1091			

According to results of table above, the calculated F is equal to 8.587 at level $\alpha = 1\%$; therefore, it is possible generalize the results to population.

Secondary question 3

What are the most important barriers caused by employees in suggestion system of Keshavarzai bank?

Table 5: Variance analysis test related to difference in mean of barriers caused by employees

Organizational barriers	Sum of squares	Degree of freedom	Mean square	F	Significance level
Between groups	55.172	6	9.195	7.127	0.000
Inside groups	1399.795	1085	1.290		
Total	1454.967	1091			

Results

In this research, the organizational barriers of suggestion system were studied; important findings of the research are as below:

1. The barriers caused by employees stand as the most important factor; the administrative, structural- cultural, and also managerial factors are put next, respectively.
2. The barriers caused by employees are as below in order of preference: lack of access of employees to enough information to provide appropriate recommendations, lack of interest toward group work and participation in decisions, and disbelief of employees to effectiveness of suggestion system.
3. In the group of administrative barriers, the most deterrent factors of suggestion system are lack of exact and on-time expertise of suggestions, lack of trained equip in administrative committee, and failure to pay rewards belonging to suggestions , respectively .

4. In the group of structural-cultural barriers, the most deterrent factors of suggestion system are indicators of organizational expansion, complexity of organizational tasks that limit offerings, and low attention to education and managerial issues, respectively.

5. In the group of managerial barriers, the most deterrent factors of suggestion system are indicators of lack of risk of managers, contradiction between bank management techniques and suggestion system, and disbelief of managers toward suggestion system. About 41.22% of the population are agree that there is a proper setting available in the organization for effective implementation of suggestion system; while about 36.3% of respondents are disagree.

6. Generally, the respondents believe that Keshavarzi bank has a medium level in implementation of suggestion system.

7. The main weaknesses of bank about implementation of suggestion system include lack of access of employees to financial and human resource information, lack of participation of all employees in creating policies, regulations, and other organizational decisions, and dissatisfaction of employees about fair payments and rewards.

Conclusion

Generally, findings of the current research indicate that mechanism of suggestion system in effective and suitable in Keshavarzi bank, but employees are not very satisfied with it. Thus, it is necessary for Keshavarzi bank to benefit from advantages of suggestion system, and to teach managers about suggestion system through proper education creating required beliefs in them. For correct implementation of this system, it is necessary for managers, members of decision committees, executive secretary, experts, all employees, and members of problem solving board to participate in specific courses of firm. Also, all employees should clearly be aware of system performance. Since issue of participation system is extensive, here we just investigate suggestion system in view of intra-organizational barriers.

Further suggestions

1. The culture of group work should be emphasized in all organizational teachings to create motivation and to strengthen trust atmosphere in the bank.

2. There are some aspects influential on creating motivation in employees toward suggestion system including expedite proceedings and publishing the results of participation, announcing the results of saving obtained through suggestions, and vast advertising about works done.

3. It is recommended to authorities of suggestion system to participate in seminars and conferences hold throughout the country in order to be informed of new achievements.

4. To institutionalize suggestion system, top managers of bank must announce their support of system in regular sessions and accept a main priority for participatory system against other managerial systems till participatory management would gradually be replaced with other managerial styles.

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