

Investigation Impact of Participative Management on Employee' Performance Improvement

Mohsen Nasiri

MSc in Health Services Management, Isfahan University of Medical Sciences, Isfahan, Iran
ssbahar456@gmail.com

Abstract: The main aim of this research is investigation the impact of participative management on improvement of employees. Participative management style is management style positively associated with high level of job satisfaction. It is based on the involvement of employees in decision-making, problem-solving in the company and empowering employees, as well as on supporting their high autonomy, own initiative and creativity. The article describes the features of participative management style and the outcomes of our own research focused on participative management style elements. To do this, we analyse whether the existence of a characteristic management style influences the employee views of reputation, studying the effect of control variables such as employee age, gender, level of education or job position. Do Leadership style and management approach affect employees' performance improvement?

[Mohsen Nasiri. **Investigation Impact of Participative Management on Employee' Performance Improvement..** *Academ Arena* 2017;9(1):6-9]. ISSN 1553-992X (print); ISSN 2158-771X (online). <http://www.sciencepub.net/academia>. 2. doi:[10.7537/marsaaj090117.02](https://doi.org/10.7537/marsaaj090117.02).

Key words: Participative Management, Employee' Performance, Decision-making

1. Introduction

Enterprises are increasingly aware of the importance of human capital and its impact on the success or failure of the business that is why they try to adapt the personnel work with their employees accordingly (Rebeťák & Farkašová, 2013). Many enterprises still do not realize that low productivity is linked to the improper management style used by the managers. Because of it there are a lot of unnecessary conflicts in the workplace. There is the best time to consider if the authoritative management style which still persists in many companies, is the best way how to manage people. In this article we would like to introduce its alternative –participative management style. Participative management style is based on the involvement of employees in decision-making and problem - solving in the company, as well as on supporting their high autonomy and own initiative and creativity.

It was presented firstly in the book of Mary Parker Follet: *Creative Experience* and then in the famous book of Douglas McGregor - *The Human Side of Enterprise* in 1960, which is a classic piece of company bureaucracy and human nature research. McGregor described two different approaches to the management of people: Theory X and Y: X theory which says that the average person has an innate aversion to work and tries to avoid it as much as possible, and because of this innate reluctance should be mostly forced to work, managed, controlled, and sometimes it is necessary to threat employees with penalties to begin to spend adequate effort leading to the achievement of business objectives. Theory Y assumptions say the contrary, that external control and

the punishment of employees are not the only possibilities to achieve business goals. In order to accomplish the tasks, one is able to learn self-control and self-management. Commitment to achieving goals depends on the rewards connected to their attainment. The most interesting of these rewards - the satisfaction of the ego and the need for self - realization may be a direct result of efforts to achieve business objectives. In terms of modern industrialized life, the possibilities of the intellect of the average person are only partially used (Carney & Getz, 2011).

In general, the reputation of the audit firms has been studied from a financial perspective, through (Moizer, 1997):(a) the audit fees, (b) the value of the shares of the audited customers, and (c) the effects of changing auditor to the audited company. In addition, several financial indicators of the audits (assets, leverage, ROA) and its customers (newvalue of their shares after changing of auditor) have been used to estimate the image.

Thus, the aim of this research is to analyse how the management style of senior management influences the employee views of reputation, given that it is strongly influenced by the personal and social identity of both groups. To get this, the paper is structured as follows. First, we review the literature about corporate reputation, identity and image, highlighting the important role of employees in its configuration. Next, we study the managerial styles, describing their different typologies.

Consequently, the corporate image is built from corporate identity (physical and cultural traits), and reflects the personality or way of operating that is perceived by external stakeholders regarding the

organisation. Therefore, image is a reflection of identity, whose final destination is to achieve a positive public attitude towards the audit.

As mentioned above, the identity and the image are part of the perceived corporate reputation. The aim of this section is to highlight the importance of employees in the determination of these three concepts, justifying the need to study their perspective in audit firms. The identity of the audit is formed by its internal stake-holders, where employees have an important role because they determine and disseminate what the company says about itself. Employees are participants of cultural traits that define the identity of the organization.

Participative management style

Hajzler (2011) characterizes participative management style and freedom at work with these four main features:

- commitment - employees voluntarily commit to do their tasks, they are willing to negotiate about the objectives and procedures
- mastery, autonomy and meaningfulness - the three needs that create the system. The more built for them, the stronger the intrinsic motivation of employees. The more of them are present, the higher intrinsic motivation of employees.
- self-management - the arrangement is made such that it is not necessary manager that manages others,
- engagement - the more you manage to meet the needs of mastery and autonomy, the more people feel involved and have a greater desire to work. The system is not only functional and self-governing, but there it passion, creativity, freedom and independence.

The behavior of managers to employees is the factor that has the greatest impact on employee motivation. Managerial behavior leading to demotivation is in most cases unnecessary - not related to the "objective" conditions of work. It is the result of management mistakes and mostly of the lack of attention devoted to business training and selection of executives (Urban, 2011).

There is considerable research showing that participative management has positive impact on employee job's satisfaction (Likert, 1967; Daley, 1986; Bernstein, 1993; Kim, 2002).

Despite that, the current work environment in many companies is still too bureaucratic and hierarchical, very often with lack of proper management. Business is too focused on the fact that people should not do any mistakes, rather than support them in achieving exceptional results. The rules are adjusted so that no one has to do nothing wrong - but even nothing exceptional. In other words, the current model of people management in most companies does

not stimulate innovations and the search for higher value-added (Uriga, 2011).

In our study we examined the features of participative management style, what is the level of their usage in network industries companies in our country. According to some research studies, the concept of participative management style is currently used in the world by 3 - 5 % of enterprises only (Management study guide, 2012) which due to its effectiveness is considered as to be too low amount.

In this article we would like to present the results of the study questions focused on participation of subordinates in decision – making as well as the research of participative management style gender differences. We would like to describe if managers differ in giving possibilities to their subordinates to participate in decision – making regarding their gender.

• Research question Q1: *Does your manager allow you to participate in important decision – making?*

• Research question Q2: *Is the participation in decision – making related to gender of employee?*

• Research question Q3: *Is the level of employee participation in decision – making related to gender of manager?*

Method

The type of research we used in our study was a mapping research. It is the research project often used to describe and classify investigated phenomena (Pavlica, 2000). The research tool in our study was questionnaire. As the research sample we chose employees on subordinate positions in large international network industries enterprises. The basic research population was 39 200 employees according to Statistical Office of the Slovak Republic. For calculation of sample size we use confidence level of 95 %. All of respondents who fill the questionnaire work currently on below manager level position. Selected companies are long-term existing enterprises in the market and the management of human capital is at a very high level there. We obtained respondents from sectors: electricity, gas and telecommunications. As a research tool, we decided to use questionnaire because importance of anonymity needed for examining sensitive issues in relation manager – subordinate. In our research we tried to obtain information through a questionnaire of attitudes and opinions on the behavior of their managers. The questionnaire was distributed online – the link to webpage with questionnaire was sent via e-mail. The response rate was 50 %.

The items in questionnaire were created by us based on literature findings about participative management style and were measured on a four – point Likert type scale (yes – rather yes – rather no –

no). For statistical testing we used the test of Chi Square statistic.

Findings and results

Research question 1: Does your manager allow you to participate in important decision –making? The results are shown in Table 1:

As results show, only 39, 5 % of subordinates feel that they have any possibility to participate in important decision – making.

Research question 2: Is the participation in decision- making related to gender of employee? The results are presented in Table 2:

Table 2. Contingency table – gender of subordinate and participation in decision – making

Participation in decision – making		Yes	Rather yes	Rather no	No	Total
Gender	Man	19.8%	21.9%	24.0%	34.4%	100%
	Woman	15.4%	22.1%	28.8%	33.7%	100%
Total		17.5%	22.0%	26.5%	34.0%	100%

Table 3. Chi- square statistic test

	chi-square	df	p
p	1,013a	3	.798

As we can see, the probability $p > 0,05$, which means that there is no statistical significant difference

Table 1: Participation of subordinates in decision – making

	%	cumulative %
Yes	17.5	17.5
Rather yes	22.0	39.5
Rather no	26.5	66.0
No	34.0	100.0
Total	100.0	

between men and women in relation to participation in decision – making.

Research question 3: Is the level of employee participation in decision – making related to gender of manager?

The results are shown in Table 4:

Table 4.

Participation in decision – making		Yes	Rather yes	Rather no	No	Total
Gender	Man	22.0%	16.5%	25.7%	35.8%	100%
	Woman	12.1%	28.6%	27.5%	31.9%	100%
Total		17.5%	22.0%	26.5%	34.0%	100%

Conclusions

In our study, we focused on chosen features of participative management style. The first question explored how subordinates evaluate the level of participation in decision – making. The results indicate that more than half of employee in our research think that they don't have enough chance to participate in decision – making. We tried to answer the question if the problem of participation is somehow related to gender of manager or gender of employee.

We assumed that woman manager give more space for their subordinates to participate in decision - making but it was not proved in our study. There are no differences between man and woman subordinates in the level of participation in decision – making at work. In our research we tried to demonstrate some important features of participative management style.

As results indicate, there is no difference between men and women in the level of participation at work - nor managers in engaging employees in decision - making, either subordinates in evaluating their possibilities to participate. Findings from this study demonstrated, that the level of employee participation in decision – making is not very high, more than half of subordinates rather don't have chance to participate in decision –making at their work.

References:

1. Bernstein, A. (1993). Making Teamwork and Appeasing Uncle Sam. Business Week, January 25, 101.
2. Carney, B. M., & Getz, I. (2011). Svoboda v práci. Praha: PeopleComm.

3. Čorejová, T., & Štofková, K. (2007). Regional innovation systems and diagnostics environment. 5th Scientific International Conference on.
4. Hradec Economical Days 2007, Hradec Kralove, Czech republic, Feb 06-07, 2007, 103-106.
5. Daley, D.M. (1986). Humanistic Management and Organizational Success: The Effect of Job and Work Environment Characteristics on Organizational Effectiveness, Public Responsiveness, and Job Satisfaction. *Public Personnel Management*, 15(2), 131 -142.
6. Farkašová, V., Klieštk, T. (2004). Riešenie konfliktných rozhodovacích situácií v priemyselných podnikoch. *New Trends of Industry Development*, 11, Brno: Vysoké učení technické, Fakulta podnikatelská.
7. Hajzler, T. (2011). Krok č.1: Design svobodné firmy. Retrieved 30.01.2014, from People Comm. Available online at: <http://blog.peoplecomm.cz/clanek/krok-c-1-design-svobodne-firmy>.
8. Hrašková, D., Bartošová, V. (2014) Process based Management in a Profile and Objectives of the Transport Company. 2nd International Conference on Economics and Social Science (ICESS), Shenzhen, Jul 29-30, 2014, *Advances in Education Research*, 61, 109-115.
9. Kim, S. (2002). Participative Management and Job Satisfaction: Lessons for Management Leadership. *Public Administration Review*, 62(2), 231-241.
10. Likert, R. (1967). *The Human Organisation: Its Management and Value*. New York: McGraw – Hill.
11. Litvaj, I., Ponisciakova, O., Stancekova, D., et al. (2013) Knowledge Processes and Their Implementation in Small Transport Companies. 17th.
12. International Conference on Transport Means, Kaunas Univ Technol, Kaunas, Lithuania, Oct 24-25, 2013, 153-156.
13. Management Study Guide. (2012). A Basic Understanding of Participative Management. Retrieved 27.1.2014. from: <http://www.managementstudyguide.com/participative-management.htm>.
14. Majerová, J., Križanová, A., Zvaríková, K. (2013). Social media marketing and possibilities of quantifying its effectiveness in the process of brand value building and managing. 9th International Scientific Conference on Financial Management of Firms and Financial Institutions.
15. VSB TU Ostrava, Czech Republic, Sep 09-10, 2013, 476-485.
16. Pavlica, K. (2000). *Sociální výzkum, podnik a management*. Praha: Ekopress.
17. Rebeták, M.(2013). Development of talent management in global companies. *Proceedings of International Masaryk Conference*, 9.-13.12.2013 in Hradec Kralove, 210 – 214.
18. Rebeták, M., Farkašová, V. (2013). Riadenie výkonu pracovníkov a globalizácia. *Proceedings of international conference Globalization and its socio-economic consequences*, 9. – 10.10. 2013 in Rajecké Teplice, 610 – 618.
19. Urban, J. (2011). Jak bránit demotivaci zaměstnanců. *Human Resources Management*, 4, 31.
20. Uriga, J. (2011). Ako bude vyzerat' práca o desať rokov. *Trend*, 12.5., 14-17.

1/25/2017