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THE PROBLEMS OF THE PARTICIPATIVE DECISION PROCESS IN BUSSINESS MANAGEMENT

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Summary:

The complexity and the diversion of the problems in the business practice imposes a new approaching perspective of the companies management, which emphasis the involvement of the employees in all the actions and decisions in wich they are qualified. The problems of the employees participation in the company’s decisional process attracted, in the last decades, more and more the attention of the management specialists. Their interest is accountable if we keep in mind the fact that practical studies, made over many groups of employees, have demonstrated the positive correlate that exists between the participation rank, the grouping cohesion, member solidarity and the degree of social and professional fulfilness. To succeed to handle the intensive competitionl situations in the business field, the companies have to spare the old management practices, based on an excessive authority in management. The development of the action and decisions implication forms of the employees in the activity of the organization represent a response for the demands of the modern management, which is influenced by the business objectives achievement by stimulating the employees participation in the companys activities and in the the decision making process if they are competent.

Key words: participative management, decisional competences, participative decisional climate, approaching possibilities of the participative decision process

1. The necessity of the participative decision process in the modern companies

At the present time, the aspirations and the awaitings of the employees straighten to a high level of decisional autonomie, which allows them to outgrow the stage of simple obedients in achieving the tasks for the company. The concept of *employees participation* refers to, in general, the participation of the employees with

non-managerial functions in the process of making decisions in the organization, considering an interests union between the employer and the employee, in achieving the long term objectives for the organization and for the persons that work in the organization. Being transposed in the business practice, the employees participation to the making decisions process in the company is sustained by the necessity of the necessity of influencing the organizational behaviour with the meaning of stimulating the employees involvement in achieving the ojectives. The creation of a participative decision climate in the company is an indication of organizational maturity and a stimulating factor for obtaining quality results. This can be seen at the operational level, where the propitious representatives are the increasing of the productivity, of the employees motivation and of the clients satisfaction.

In a permanently changing environment, where the managerial decisions involves considering numerous of variables, the participative management promotion, ment to stimulate the action and decision implication of the employees in achieving the business objectives, is required by the complex reality in the business practice. The factors that explain the necessity of promoting the participative decision process at the company level are synthesized in figure nb. 1.

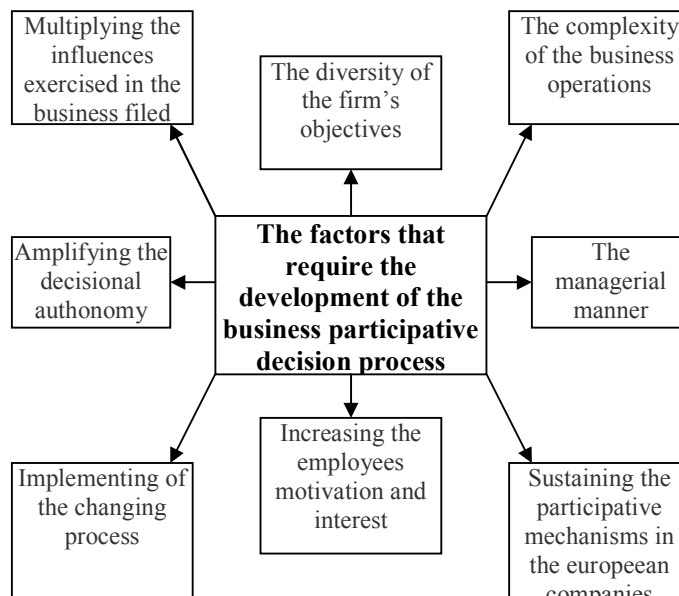


Fig. 1 Factors that require the development of the participative decision process in business

Encouraging the participative leading forms in the modern companies is motivated by the specific character in the contemporary business environment, which complicates and diversify the needs which are to be answered by the management of the company and which are concerned with the following aspects:

- The accentuation of the complexity and diversity of the objectives of the modern firm;
- The multiplication and diversifying of the influences that are exercised in the business field, with a direct reflection on the volume of informations that constitute the basis of the decisions and the compression of the available time to adopte them. These situations need forms of rapid reaction and engaging all that are competent to make decisions with a strong impact on the dimensional and functional characteristics of the company;
- The development of the problems generated by the achieving of the business operations;
- The development of the decisional authonomy, wich presume proper decisions to exercise the high volume of prerogatives, competences and ;
- The furtherance of the managerial manners based on employees knowledge, qualities and skills usage and on attracting them in the decision process. Numerous studies, deposited in the speciality literature, emphasis the effects of the managerial manner over the degree of participation of the organization members at the decision making process¹. Depending of the degree of encouraging or limiting the employees participation to the decisional process, the managerial manners were delimited in the following ways: the authoritative manner (focused on the exclusive decisions of the manager); the democratic manner (the employees are being consulted and have a certain role in the making decisions process); the permission manner (offers to the employees a high degree of decisional authonomy);
- The creation of an organizational climate favourable to the changing processes,

¹ The classical study made by K.Lewin, R. Lippitt and R.K. White in 1939 on the leader's behaviour was the plinth for many other researches concerning the participative management. These studies emphasized the effects of the employees participations in the decisional act on the company's performances.

by involving the employees in the decisions and actions that pursue their achievement. The changing processes that the companies are going through, require a new manner of management, that is capable to anticipate and to adapt rapidly to the new situations that are generated by the transformation, involving the employees in adopting and implementing of the decisions regarding the operationalization of the process. To participate at the decisions regarding the changing implementation at the organizational level, the employees have to believe in the necessity and the advantages of this process. Having a favourable behaviour regarding the change at the entire company level, the involvement of all employees in achieving the required objectives and the participation at the actions and decisions that sustain this process constitute a competitive advantage in the business practice;

- The companies interested which have seen in the participative managerial system a way of growing the clients satisfaction by increasing the motivation and the interest of the employees;

- The encouraging of the companies in the European Union in the direction of amplifying the interest towards the employees participation to the making decisions mechanisms².

The permanent challenges at which are submitted the companies, the amplification of the complexity of the activities and the growing of the information volume that the managerial decisions are based on, need a concentrated effort at the entire organization level, based on the speed of reaction and on the action and decision responsibility of each employee. Peter Drucker emphasized this characteristic of modern management, saying that “there, where the reaction speed and flexibility are the essential factors of the success ...there is no time to wait for the decision to be made by an important leader. Each one have to manifest his leader skills.” (Drucker, P.D., 2000, p. 256). By this point of view, the participative management represents a vast engaging and responsibility process, personal and collective

² In Great Britain the companies who are interested in creating of official participation systems, according to the directions of the European Union, have the support of some institutions (Involvement and Participation Association, Institute of Personnel and Development) which have elaborated together a Code of practice on employees participation and involvement problems (Employee Involvement and Participation in the United Kingdom).

involvement in the actions concerning making and implementing decisions for the company.

2. Approaching manners of the participative decisional process

The participative management describes the new spirit in which the companies activity should be unfurled, which the “illuminated companies”³ have adopted in the last decade. In these companies, there have been reduced the level of hierarchy levels, and the role of the formal authority was diminished. While performing the decisional act, the most important thing is the professional competence. The accent is put on the results and not on the procedures, and the manager, which keeps the main role in the managerial processes, delegates the right of adopting and implementing of some decisions to the employees, which are being recommended by their knowledge, skills and competences for this purpose.

Trough the competences, responsibilities and prerogatives that he has, through the values and the organizational practices that he develops, the manager influence decisively the action and decision behaviour of the organization members. The speciality literature deposits many studies referring to the approaching manner of the employees participation in the decisional process, in referring to the management manners used within the company. Developing the classical studies regarding the participative management, the research made by W. H. Schmidt and R. Tannenbaum⁴ distinguish, according to the way in which the employees are involved in the decisional act, two major orientations in the firms management: *the management based on the authority of the manager* and *the management based on attracting the employees in making decisions process*. The study of the two researchers has the merit of emphasizing the implications of the participative managerial process on the companies performances. Starting with the diversity of the factors that influence the way that the

³ Collocation used by P.D.Drucker in the work “The Organization of the future” (2000) to describe the performant organizations

⁴ The study made in 1957 by W. H. Schmidt and R. Tannenbaum continue the classical researches on the managerial manners, that have been initiated by K.Lewin, R. Lippitt and R.K. White. The study was developed and actualized in the '70's (“How to Choose a Leadership Pattern” - retrospective commentary, Harvard Business Review, may-june, 1973)

company is managed in, the factors that rely on the acting, options and expectances of the manager, on the competences and aspirations of the employees and of the promoted values trough the organizational culture, the study settle the boundaries of the following approaching manners of the decisional act:

- The employees are not directly involved in the making decisions process, the manager is the one that identifys the problem, analyses the possibilities of solving it and make he's own decision, expecting that the employees obey; in this case, the subordination relations are being situated on a first level;

- The employees are encouraged to accept the decisions by convincing, the manager being the only one involved in the the decision making process; the decisions must be understood and accepted by the employees;

- The employees are allowed to lightly involve in the decision making process; the manager present to the employees a potential decision, which can be modified on basis of their proposals; in the end, the manager makes the decision, taking the whole responsibility;

- The employees are facing the problem that is to be solved and are being asked to say their poit of view, before that the manager make the decision; there are welcomed the suggestions and the proposals of the employees, without involving them directly in the final process of making the decision;

- The employees are involved in making the decision, their participation is encouraged, not only at discussing over the problem, but also at adopting the decisions regarding the problem; the manager identify the problem and defines the limits of the decisions; it is the first situation in which the employees are directly involved in the process of making the decision;

- The employees are allowed to make decisions according to their competences; the members of the final decision group identify the problem, suggest the solutions and than decide; trough this way of approaching the decisional process, they appreciate the creative capacity of the employees and they stimulate their participation to the management act, favouring their decisional competences development; it is an advanced form of participative management, that makes the employees aknowledge the responsibilities that come with the decision making in the firm.

In the managerial practice, the approaching methods of the decisional process are specific, and can not so easily be delimited like R. Tannenbaum and W. H. Schmidt did in their studies. The results of some recent researche emphasys the fact that the relations setteled in a firm between the superior management and the subordinates are more complex, making it difficult to cathegorize in one of the reproduced situations.

Based on the participation degree of the employees at the decisional act, another important study for the theme in discussion, begins with two obligatory premises in the participative management: the decisions must have a positive effect on the firms results, and the employees must acknowledge the responsibility they have in the process of making decisions. The pattern created troughout these researches, called by the names of its creators, the Vrrrom-Yetton-Jago pattern, is not different from the pattern made by W. H. Schmidt and R. Tannenbaum. Based on the Vrrrom-Yetton-Jago pattern, we can identify the following approaching manners for the decisional process:

- The manager makes the decision by him self, without the participation of the employees in the process;
- The manager makes the decision based on the informations delivered by the employees;
- The manager presents the problem to the employees, asks for more informations and evaluations, but he makes the decision by him self;
- The manager creates a problem debating group, asks the employees about different solutions of solving the situation, but he makes the decision by him self;
- The manager creates a problem evaluation group, and the decision is made inside the group; the employees participate in an active manner in the process of making a decision, assuming the responsibility of it's implementation.

The speciality studies emphasized the fact that attracting the employees in the decisional act is influenced by the manager's vision of the human factor behaviour in the organization and it's attitude towards the work. The famous study Douglas McGregor (1976, p.235), about the organizational behaviour, plases the managers attitude towards the employees in two different manners of acting, that are being held responsible for rejecting or encouraging their involvement in the decisional process. The outlook that the two manners of acting are based on are being presented by

McGregor in the form of two theories: the *X theory* and the *Y theory*. The managers that agree with the presumptions of the *X theory* consider the majority of the employees hate working, are guilty of lack of responsibility and involvement in the process of working, a behaviour that does not recommend them for the decisional process. This category of managers promote an authoritarian leading manner that is based on placing on the first place of the subordinating relations, centralizing the authority, permanent control, stopping the creative manifestation and the initiative. The employees are seen like simple doers, with no implication in the decision and control process, and the results are being conditioned by control and punishment. At the opposite pole, are the managers that share the presumptions of the *Y theory*, which consider that the employees have a positive attitude towards the work, are in good faith, take responsibility and are involved in the achieving the companies objectives, and the positive motivation is the one that intensifies the working capacity, the cleverness and creativity of the employees. The managers that believe in the *Y theory* trust the competencies of the employees, encourage their talent and creativity in solving the problems, by involving them in all the activities and decisions in which they are competent. The *Y theory* pleads for the participative management manner, with an accent on the commissioning of the authority and the responsibilities and on capitalizing the collective management competences of the employees. The main principle of the *Y theory* is the one of selfcontrol and of selfmanagement, of the employees capacity of having a high degree of involvement and participation to solving the companies problems.

We consider that the theory exposed by McGregor have some limits, due to the fact that in the managerial practice the situation is more complex and the managers can't be categorized strictly in one of the two identified typology. This observation is based also on the results of other studies, which allow the less rigid interpretation of the McGregor theories and bring a new perspective over the approaching manner of the decisional process. In an experimental study, concentrated mostly on the Japanese companies, the American professor with Japanese origin, William Ouchi, brings new elements regarding the managerial manner and the involvement of the employees in the decisional process. In developing of another theory, which is called the *Z theory*, Ouchi sustain that the attitude and the behaviour of the managers generates some reactions from the subordinates. A manager that encourages, stimulates, coworks and guides will

generate trust, loyalty, responsibility, devotion, involvement. This manager will know how to develop in their employees the attachment towards the company and its objectives, by involving them in the decisional process at all levels. The employees are encouraged to manifest their creativity and the accent is put on the creation of opportunities of professional growing and adopting the decisions in consensus. We have a harmonious organizational climate, respect regarding the employees and decentralization of the authority. The theory of Ouchi combines the American managerial philosophy with the one that the Japanese management is based on, where the loyalty of the employees, the cowork, total involvement, assuming the executive and decisional responsibilities are basic values of the organizational culture. The organization described by the *Z theory* is based on on the individual responsibility – a characteristic of the western organizations – and the participative decision making, a characteristic of the Japanese companies. The *Z theory* emphasizes the qualities of the participative management and strengthens the positive aspects that are being sustained by the *Y theory*.

In 1985, the researcher Alain Touraine developed another study, made from the perspective of the level at which the employees identify themselves with the company's objectives and take responsibilities in achieving them, are involved in the life of the group and in the making decisions process. Based on the results of the study, Touraine identifies four different ways of involving the human factor in the activities and decisions of the firm, these are:

- The absence of the personal project – the employee considers the firm as being a means of obtaining the daily bread, has a reserved attitude, not having other motives of participative involvement;
- The existence of the individual project – presumes a limited degree of participation, in the sense that the employee can achieve a personal project for the company, but is not involved in collective projects;
- The collective project – considers the employee's participation in achieving a collective project, which involves the adhesion to the created group to end the project, without this situation to create attachment to the firm and its objectives;
- The organizational project – presumes a high level of involvement of the

employees in executive and decisional activities, and they are identifying with the mission and the fundamental objectives of the firm; the employees have the conscience of their collective social function and of their belonging to the organization, involving themselves, in actions and decisions, in it's life.

The business management must be sustained by a flexible, dynamic and efficient decisional system, that can stimulate the competent involvement of the employees in adopting some decisions. A system like this involves a rearranging of the the manager's role in the firm and a larger involvement of the organization members in the activities and decisions that are in their area of competences. Free from the pressure of the tactical-operative decisions, the managers have the possibility of concentrating on the established strategic objectives and the decisions regarding them. In the business practice, numerous decisions are made with much efficiency if it involves the employees that are situated at inferior levels of the organizatoric structure, and directly participate in the actions. On the other hand, the preponderance of the self made decisions, the often interventions of the manger in the area of competence of the employees decreases teir participation in making decisions regarding their activities, leaving them the role of simple doers. For the business management, treating the competitive employees as simple instruments that are involved exclusively in the execution proceses represent a less efficient attitude, with unfavourable consequences over the objective fullfilness. A manager that does nor appreciate hi's employees, does not trust their competences, eliminating any personal initiative, creates a tensioned climate, with unfavorable consequences to the efficiency of the employee's work. Being critized, obliged, underappreciated and punished, they will be frustrated, will have unsatisfactory results and a low work efficiency.

The participative management problems and the needs of the business practice in this direction must be approached in pragmatic terms, looking at the usefulness and efficiency of the process. The efficiency of the participative decision mechanisms in the business practice depends on the ability of the employees to identify themselves with the fundamental objectives of the firm and to involve actively in actions and decisions in it's achieving. The capitalization of the creative potential of solving some complex decisional problems turned out, many times, a usefull managerial practice. It has positive effects on the efficiency of solving problems and also on the responsibility of

each employee regarding the applying of the decisions that he helped taking. Creating a participative environment of direct relations and consulting, of involvement of the competent employees in making the decisions regarding their activity correlates positively with the efficient achievement of the firm's objectives. This situation has a very psychological explanation, the participation being, from this point of view, the level of influence that the individuals perceive that they have over the decisional process. The individual satisfaction state, of personal and professional fulfillment that are given by the participation generates the discharging of the inhibitions, stimulates the initiative, emphasizes the devotion and loyalty towards the company and its interests in the business area. The employees feel they are responsible for applying the decisions they helped adopting and feel that these are theirs, different than the other made by others. The new model of organizational behaviour must influence in a significant manner, the way of thinking of the employees in the sense of mobilizing them, in action and decision for obtaining some performant outcomes.

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