

IMPACT OF PARTICIPATIVE MANAGEMENT ON INNOVATION

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ABSTRACT :

PURPOSE : Participative management is a system, where the employee and the employer feel that they are working together towards a common cause, hand in hand, pulling together their weight, for the development of industry and progress of society. When all the employees, instead of just managers or executives are given an opportunity in participation, it increase a valid and unique idea that is suggested.

There are three important ideas :

Firstly, there should be mental and emotional involvement, that is, the involvement is psychological rather than physical.

Secondly, participation motivates people to contribute through their own resources of initiative and creativity towards the objectives of the Organization.

Thirdly, participation encourages people to accept responsibility in their group's activities.

Key Words: Participative management , Decision making, Innovation, Development, Creativity.

INTRODUCTION:

This paper examines how the participative Management impact innovation. We define participative management as employees are invited to share in the decision-making process of the firm by participating in the 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 innovative ideas and suggestions of employees with consideration and respect.

Changes are implemented more effectively when the employees have input and make contributions in making decisions. Participation keeps employees informed of upcoming events so they will be aware of potential changes. The organization can then place itself in a proactive mode instead of a reactive one, as managers are able to quickly identify areas of concern and turn to employees for solutions.

Participation helps employees gain a wider view of the organization. Through training, development opportunities, and information sharing, employees can acquire the conceptual skills needed to become effective managers or top executives. It also increases the commitment of employees to the organization and the decisions they make.

Creativity and innovation are two important benefits of participative management. By allowing a diverse group of employees to have input into decisions, the organization benefits from the synergy that comes from a wider choice of options. When all employees, instead of just managers or executives, are given the opportunity to participate, the chances are increased that a valid and unique idea will be suggested.

OBJECTIVES :

- To know how the new ideas are welcomed by the managers and implemented successfully in the organization
- To find out how the creative ideas are contributed towards the growth of the organization
- To know how employees are well versed with participation
- To know how organization builds employee confidence so their ideas and decisions become more creative and sound

METHODOLOGY:

The data have been gathered from primary sources as well as from secondary sources.

Primary Data have been gathered from various MNC's in Pune. The participants responded to the questionnaire via an internet survey.

SCOPE:

The result of this study helps to know to what extent organization are adopting creativity and innovation. As we are having numerous examples from the big concerns .Though associating employees at every stage of decision-making is not possible still

regular exchange of information, ideas, thoughts, decisions and negotiations between employer and the employees definitely is a boon to the organization. Few of the world's biggest organizations like Toyota, HSBC, British Airways, Satyam, British Gas and Nokia Cellular have achieved considerable profits and value creation by implementing the most amazing ideas of their employees. Their success witnesses the importance of workers' participation in the process of decision making.

This study will help the organizations for promoting innovation for getting the new concepts and ideas from their employees.

FACTS :

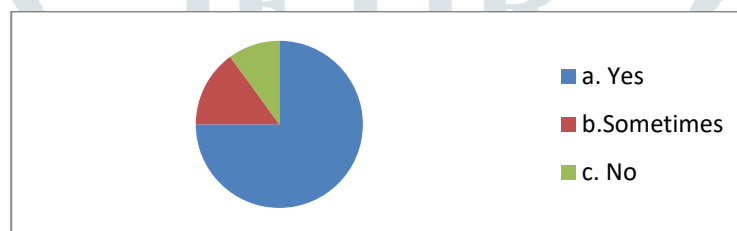
"Participative management is a formal method of providing an opportunity for every member of the Organization to contribute his brains and ingenuity as well as his physical efforts for the improvement of organizational effectiveness".

Labor participation consists basically in creating opportunity under suitable conditions for people to influence decisions which affect them. It is a special case of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. This serves to create a sense of belongingness among the workers as well as a conducive environment in which both the workers and the management would voluntarily contribute to healthy industrial relations.

QUESTIONNAIRE:

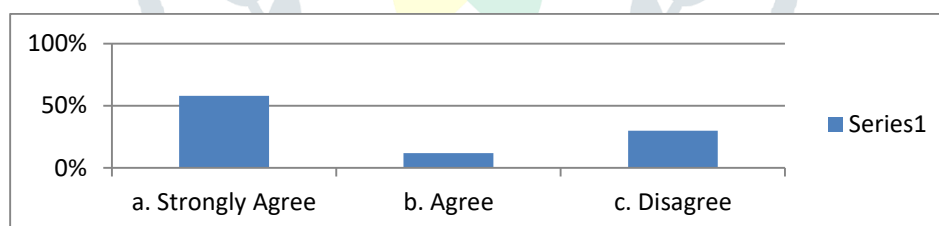
1. Whether the new ideas are welcomed by the organization involving you all in participative management?

a. Yes	75%
b.Sometimes	15%
c. No	10%
Total	100%



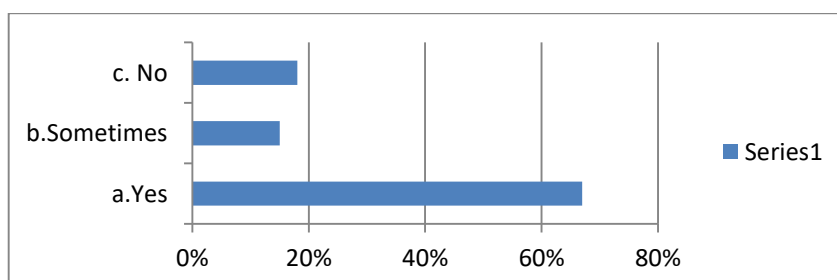
2. Do you consider it is necessary for every employee to participate in decision making?

a. Strongly Agree	58%
b. Agree	12%
c. Disagree	30%
Total	100%



3. Do you attend the meetings conducted by the management regularly?

a. Yes	67%
b.Sometimes	15%
c. No	18%
Total	100%



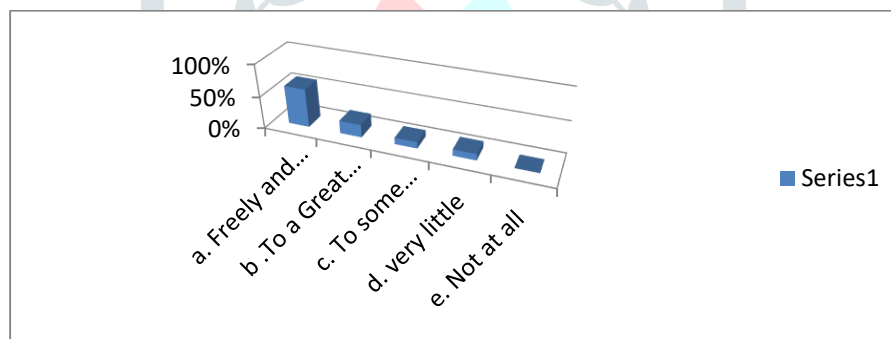
4. Is there a positive impact of your participation on industrial relations?

a. Strongly Agree	79%
b. Agree	11%
c. Disagree	10%
Total	100%



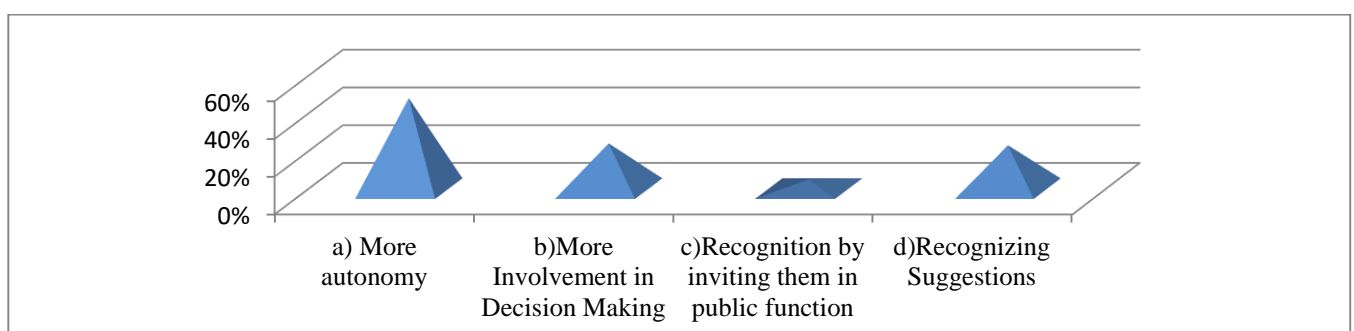
5. To what extent employees have freedom to express their innovative ideas and suggestions?

a. Freely and openly	60%
b. To a Great extent	20%
c. To some extent	10%
d. very little	10%
e. Not at all	00 %
Total	100 %



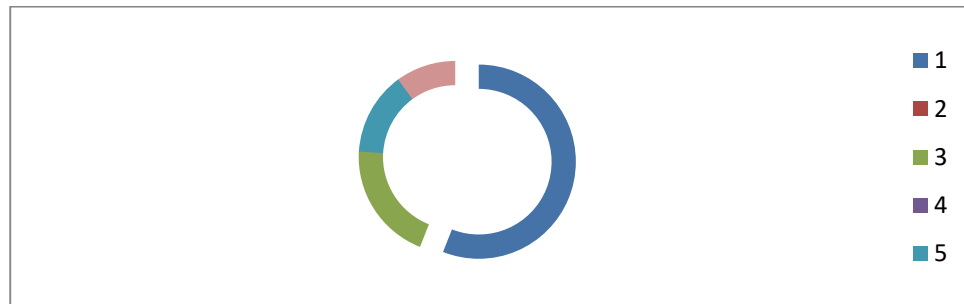
6. What in your opinion are the essential conditions to ensure the successful working of the scheme of workers' participation in management?

a) More autonomy	48%
b) More Involvement in Decision Making	24%
c) Recognition by inviting them in public function	05%
d) Recognizing Suggestions	23%
Total	100%



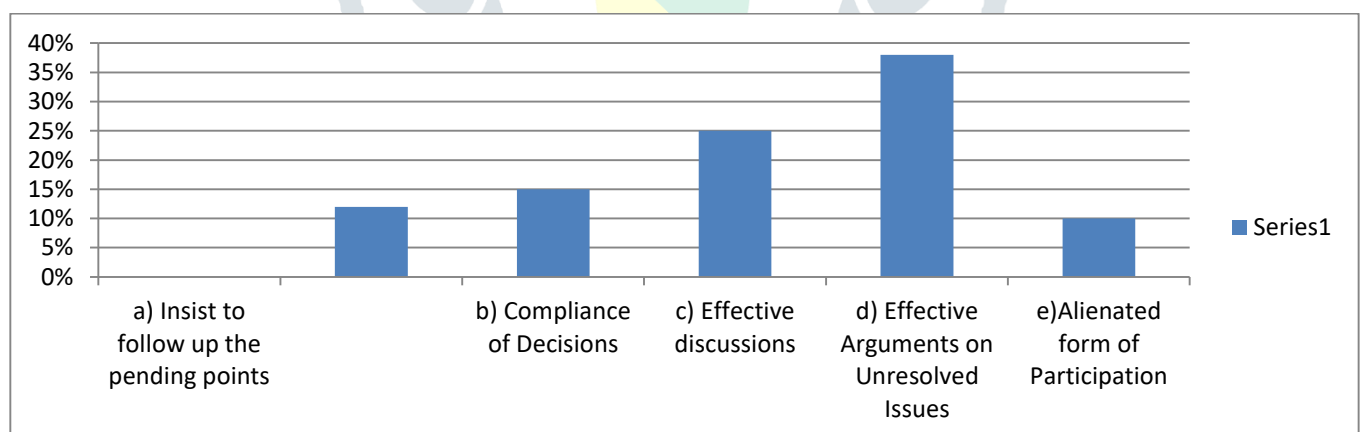
7. Why the decisions are not implemented?

a. Poor response from the management	56%
b. Lack of seriousness from the participating members from workmen	20%
c. Lack of seriousness from the participating members from Management Representative.	14%
d. Due to other reasons and poor control of management on other departments like Civil, Electrical, Production and Personnel Department	10%
Total	100%



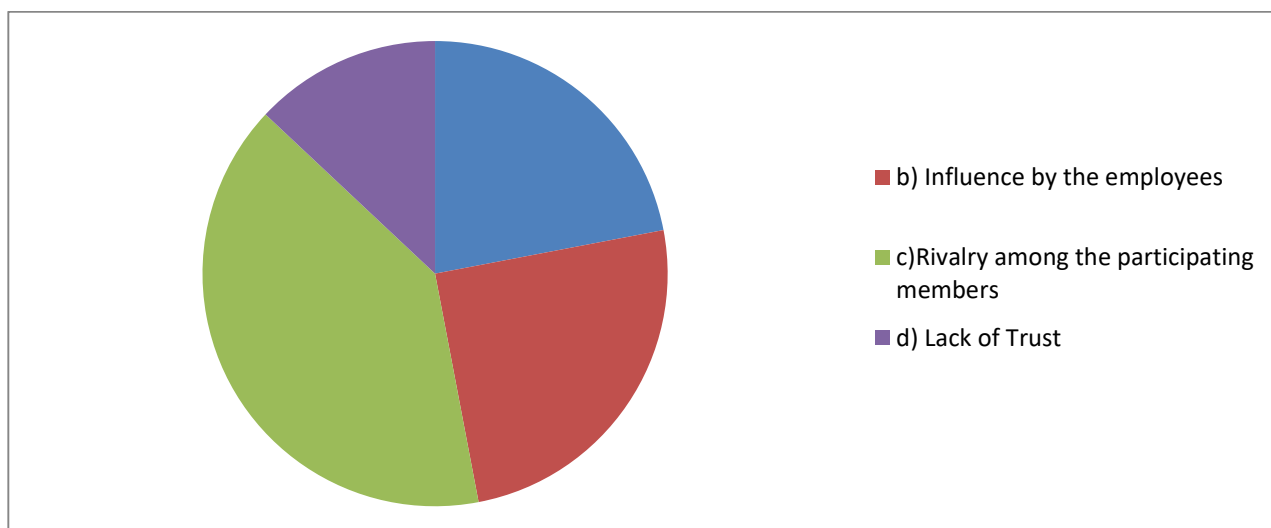
8. What role do you play in creating and implementing innovative ideas ?

a) Insist to follow up the pending points	12%
b) Compliance of Decisions	15%
c) Effective discussions	25%
d) Effective Arguments on Unresolved Issues	38%
e) Alienated form of Participation	10%
Total	100%



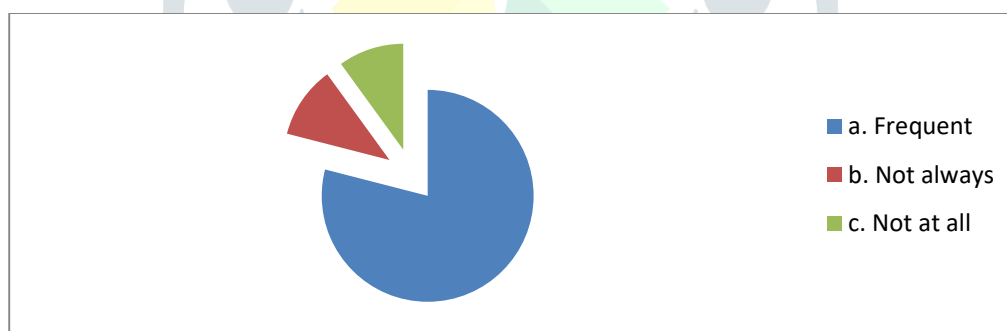
9. What are the reasons for the failure if there has been any failure ?

a) Influence from management	22%
b) Influence by the employees	25%
c) Rivalry among the participating members	40%
d) Lack of Trust	13%
Total	100%



10. Does there occur any difference of opinion among the members?

a. Frequent	79%
b. Not always	11%
c. Not at all	10%
Total	100%



FINDINGS:

- The above study reveals that majority of the new ideas are welcomed by the organization.
- Most of the employees are strongly agree that they should consider in decision making of the organization.
- There is positive impact participation on industrial relations.
- Employees are having freedom to express their innovative ideas and suggestions.
- Most of the times the decisions are not implemented because of poor response from management due to rivalry among participating members.
- Most of the time the difference of opinion occurs among the members.

SUGGESTIONS AND CONCLUSIONS :

On the basis of the findings , the study would like to suggest that the management provide freedom to employees to express their innovative ideas and suggestions . The management should focus pending decisions regarding innovative ideas and implementing them . It was also found out that decisions are not implemented due to poor response from the management. It also suggests that the management should look after about the difference of opinion among the members .

CONCLUSIONS :

The research article has been a sole study on analyzing and understanding the level of impact of participative management on innovation as many companies experienced the positive impact towards the growth of the organization if they involve employees in creating and innovating new ideas and suggestions. As employees are part of the organization and also they will privileged in contributing their new thoughts and ideas and suggests so that company can reach new heights . This will create a win-win situation for organization as well as for the employees.

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