

PARTICIPATIVE MANAGEMENT – A NEW DIMENSION IN MANAGING HUMAN RESOURCES ISSUES

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Abstract

The role of Human resources is changing as the result of globalization, rapid real-time technological development and progress, and changes in the expectations of the stakeholders among others. Operating human resources across geographic and cultural boundaries can often prove difficult for the Human resource function. Nonetheless, with the widespread use of technology, the ability to communicate with anyone around the world and access to new and varied markets, international and diversified people issues are important to understand and be addressed. The new emerging global era has brought in various changes in the way business and industry view, manage and run their operations. In today's globalised corporate world, the only standard constant is change – fundamentally when it comes to the human resources function and its modalities. This is a conceptual paper on participative management ideology with an entrepreneurial mind-set.

Keywords: *Entrepreneurial Mind-set, Globalization, Human Resources Management, Leadership development, Participative Management.*



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INTRODUCTION

The human resource management profession continues to evolve. Originally conceived to handle personnel hiring and payment, the function now aligns closely with a company's strategic plan. To get the respect the department deserves, human resource managers need to respond to the challenges of lacking power, maintaining a delicate balance between management and employees and handling the workforce in difficult circumstances.

If HR is to be perceived as an enabler of business strategies, they need to be seen to be making measurable contributions to the bottom line through expense reduction, or revenue generation, talent management and risk mitigation. HR people need to be a lot more creative in the way they do things. The "one size fits all" approach does not work anymore. HR departments of today need to be the talent departments of tomorrow. Participative Management with an Entrepreneurial mind-set ensures this transition.

In today's globalised corporate world, the only standard constant is change, fundamentally when it comes to the human resources function and its modalities. Globalization has ushered in many issues and challenges to the HR management and leadership fraternity. The bottom-

line core issues and concerns undermining performances have always been on ways to improve and imbibe an inborn feeling of not only being responsible and thus improving the vital need of ownership culture among all stakeholders but to also be strategic in all that is done.

The shape of the organizations is now moving from hierarchical to networks, Sourcing talent has moved on from local to global markets. Technology has grown from limited influence to unlimited possibilities, expectations at work has moved on from just working for money to looking for a purpose, from work and fun it is fun at work now, size of the organizations don't matter anymore but individual growth does, big transformational changes are no more but many small experimentations are taking place with incremental changes expected.

Employees taking up ownership and being responsible in all activities has been the bane of the HR fraternity. There have been many occasions when they have chosen to take ownership but ultimately have refused to take responsibility of the result. Likewise, there are situations when responsibility is taken but ownership of the whole process is shirked leading to team failures as this led to individual success. Both ways are highly detrimental to the organizations strategic plans. A methodology involving both, needs to be adhered.

Maslow explicitly defines self-actualization to be the desire for self-fulfilment, namely the tendency for him (the individual) to become actualized in what he is potentially. This tendency might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming. Maslow used the term self-actualization to describe a desire, not a driving force, which could lead to realizing one's capabilities. Maslow did not feel that self-actualization determined one's life; rather, he felt that it gave the individual a desire, or motivation to achieve budding ambitions. Maslow's usage of the term is now popular in modern psychology when discussing personality from the humanistic approach. And hence with the changing times and the evolution of HRM, the need for Participative Management with Entrepreneurial mind-set is the need of the hour.

Participative Management is referred to as a form of management where employees are actively involved in organization's decision making process. They welcome that innovative ideas, concepts and thoughts from the employees and involve them in decision making process.

Participative Management can also be termed as "Industrial Democracy", "Co-determination", "Employee Involvement" as well as "Participative Decision Making".

There are many companies who have embraced this particular style of management and are now getting positive results. Toyota is the best example. The company has been following suggestion schemes and employee involvement procedures for over a decade now. The management receives almost 2,000,000 suggestions and ideas every year and around 95% of these are implemented by the company. Who is not aware of Toyota's success rate? Around five thousand improvements per year have made Toyota company policy and everything works well.

British Airways is another great example of participatory management. During economic downsizing, employees' suggestions helped them cut annual cost of their operations by 4.5 million pounds. This is just unbelievable. It is right to some extent that employees can misuse industrial democracy but with a proper management of HR functions, this problem can be solved and the operations of organization can be taken to the next level.

Employee participation at each level of decision making process is not at all harmful if managed efficiently. The whole process can be well coordinated and controlled by the sincere and honest efforts of human resource managers. However the scope of participative style of management certainly depends on the organization, its nature, functions and processes. Though associating employees at every stage of decision-making is not possible, still regular exchange of information, ideas, consultations, 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 worker's participation in the process of decision making.

And this where the Entrepreneurial mind-set is much needed. Entrepreneurial mind-set refers to a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes. With these mind-sets individuals are drawn towards opportunities, innovation and new value creation couples with owning responsibility. Hence by adding passion, dedication and optimism which are essential life lines of an Entrepreneurial mind-set to the ideology of Participative management a full circle of successful management theory is drawn. With the concept of Participative Entrepreneurial Management ideology, many issues and concerns pertaining to HRM can be mitigated to a larger extent and processes streamlined for a maximum effectiveness. For example:

1. Instead of identifying which individuals can move into which position when, talent management identifies a pool of high potential employees who will provide the basis for the organization's success regardless of the changing organizational structure. Investments must be made in these high potential employees to help them develop the competencies that will take them and the organization to success.
2. Part of fostering leadership is encouraging and rewarding risk-taking. It is also giving these leaders, wherever they are in the organization, the opportunity to contribute to the development of the corporate strategies and plans. Leadership comes with empowerment – employees can't be leaders unless they have the power to take risks, make decisions, innovate and lead. This methodology empowers while emphasizing ownership and responsibility of the outcome too.
3. Participative Entrepreneurial Management gains support from executives to develop leaders of the future and engages senior management proactively in leadership development philosophy and practice.
4. It encourages the need to be sensitive to external conditions as well as to their own organizational needs in order to define and meet the leadership development goals of their organizations.
5. Participative Entrepreneurial mind-set ensures designing an effective employee lifecycle program and tracks internal talents and skills for future business needs.
6. Manages staff turnover to avoid high cost of replacement.
7. Establishes knowledge transfer processes to secure employee knowledge before they leave the organization.
8. Involve end users from the beginning to understand their challenges.
9. Creates ambience for ongoing training programs to continuously up-skill employees and manage knowledge transfer in high staff turnover environments.
10. Provides a need for ongoing feedback to drive growth in employee capability.
11. Participative Entrepreneurial Management allows monitoring employee knowledge and understand employee strengths and weaknesses to design strategic training sessions.

CONCLUSION

Clearly, managing human capital is an ongoing challenge, especially as social, political and economic events take their toll. Strategies must continually be redefined to deliver improved

return on investment in human capital. As HR professionals work within their own organizations, they must also cope with good and bad economies, new technology and the social issues – global, regional and national – affecting their organizations.

When we look in the mirror, being Participative Entrepreneurial Managers, we see ourselves as entire human beings – not just people with jobs and careers, but people with families, friends, beliefs, interests, passions, responsibilities, worries and futures. We need to look at our people through the same mirror – not just as employees or colleagues, but as total human beings. If companies ignore the full humanity of their people, or if people find it necessary to suppress their humanness in the workplace, the tensions created eat away the vitality of the organization.

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