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CHAPTER 2
THEORETICAL ORIENTATION AND REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

Regarding to today's challenging work environment and globalization and technological changes, many organizations are trying to satisfy their customers' needs. Due to the highly competitive business environment, those organizations with effective management system are the most successful organizations. With its emphasis on engaging the workforce, increasing performance, providing effective customer service, and promoting efficient work processes, participative management should be an integral part of today's organizations.

Ray Helmcamp (2006) points out the merits of this management style as he discusses that: the leaders' management style has to shift from a traditional to a more humanistic style of management teamwork and the use of teams as an integral part of participative management. Motivation and the hierarchy of needs related to the work environment is an essential for the successful work. The right participative management is based on the assumption that empowering people throughout the enterprise will result in a more responsive, more flexible, and ultimately more successful enterprise. Participative management is more than a willingness to share influence - formal patterns of participation need to be truly implemented where employees have a right to contribute on all levels of decision-making. Therefore, organizations with a high level of quality maturity have been able to integrate the participative management systems into their normal day.

For understanding about participative management system, the present chapter has summed up the scopes of documents and researches regarding the participative management system as follow:

2.2 THEORETICAL ORIENTATION RELATED TO PARTICIPATIVE MANAGEMENT SYSTEM

2.2.1 Definition of participative management system

There is various definition of participative management system from different perspectives. For example, participative management is a practice that leaders use as an attempt to satisfy employees and increase productivity. It is a process in which influence is
shared among individuals who are otherwise hierarchically unequal. Participative management is a system which encourages employees to participate in the process of making decisions that directly affect their work lives (Wagner, 1994). It is utilized to improve work practices, productivity, and organizational performance (Vroom, 1960).

Participative management is an approach, which gives everyone in the organization an opportunity to contribute their skills, knowledge and talent to improve the organization. It is a process of involving those who are influenced by decisions, in making decisions, where everyone make certain that everyone gets their needs met. (Jaspreet, Kaur Sodhi, 2009)

According to Barron's Business Dictionary (2010), participative management is defined as an open form of management where employees have a strong decision-making role. Participative management is developed by leaders who actively seek a strong cooperative relationship with their employees. The advantages of participative management include increased productivity, improved quality, and reduced costs. Participative management holds employees responsible, accountable, for their work. It allows them to determine the outcome of work-related activities and fosters a team environment. It is management's job to explain what's expected, and work with employees to achieve goals. Participative management affords employees a voice. Employees take their jobs seriously, and become loyal to the organization. It delegates control to employees, but the organizational goals must be adhered to.

Participative management is a type of management in which employees at all levels are encouraged to contribute ideas towards identifying and setting organizational goals, problem solving, and other decisions that may directly affect them. (Business Dictionary, 2010)

Participative management is a method, which gives employees responsibility, accountability, and authority over their work. The method provides simple tools for employees to improve their work performance and positively impact the bottom line. The process provides an environment to make employee needs known and creates a vehicle for improved
communication between all areas of the organization. What differentiates this work is that people's recommendations are actually implemented and acted upon. People solve their own issues and feel empowered within the process of doing so. Leaders and employees learn to redesign their workplace to be participative and self-managing. People are not asked to do things that they are not capable of accomplishing. There may be training involved to improve skill sets. Leaders and employees look at a piece of work and ask what roles and responsibilities need to be placed within the boundaries of the work in order to achieve individual and organization goals. The idea is to allow as much responsibility, accountability and reasonable authority to people actually doing the work. Participative management addresses the criteria for superior performance. These criteria have been researched, field-tested, around the world and their validity has been proven in many work settings. Participative management creates a workforce that is committed to obtaining positive results for the organization such as increased productivity and improved quality. People are engaged and motivated and are willing to put forth energy to improve work performance. Participative management works best when the organization has a clear and compelling mission and vision. Employees then can align their personal mission and vision to the organization. (Flowmanagement.net, 2010)

Tara Duggan (2010) describes that participative management system is the management system which allows employees to take responsibility, accountability and authority over work done for a company. In this management system, leaders' strategy typically empowers qualified employees and allows executives to focus on strategic planning while subordinates manage daily operations. Effective leaders establish a clear mission, vision and set of objectives before deferring management to employees. Management communicates the organizational goals, describes what is expected in terms of results and then encourages employees to think creatively to solve problems and figure out how to improve performance. By establishing performance measurement criteria for learning, leaders can use participative management strategies to their advantage.

Audra Bianca (2011) states that participative management system is the system of management which aims at getting employees involved in decision making and
policy direction in a business or government organization. Employees have great ideas that can help an organization to become more effective at achieving its goals. It is up to skilled managers to source these ideas through participative management techniques.

Syeda Hina Batool (2011) defines participative management system as a management style in which leaders delegate their authority and stress on the active involvement of subordinates in problem solving and practice free flow of organizational communication.

From the definition of participative management system mentioned above, it can be concluded that participative management system is an approach, which gives everyone in the organization an opportunity to contribute their skills knowledge and talent to improve the organization. It is an open form of management, where employees have a strong decision-making roles and hold responsibility, accountability for their work with the cooperative relationship among the team of employees for increasing of productivity, quality improvement, reduce the cost and goals achievement.

2.2.2 Concept of participative management system

Participative management refers to an open form of management where employees are actively involved in organization’s decision making process. The concept is applied by the managers who understand the importance to human intellect and seek a strong relationship with their employees. They understand that the employees are the facilitators who deal directly with the customers and satisfy their needs. To beat the competition in market and to stay ahead of the competition, this form of management has been adopted by many organizations. They welcome the innovative ideas, concepts and thoughts from the employees and involve them in decision making process.

Participative management involves sharing information with employees and involving them in decision-making. Employees are encouraged to run their own departments and make decisions regarding policies and processes. They must have the skills and abilities to participate. Employees must have the technical background, communication skills, and intelligence to make decisions and communicate those decisions effectively. The
organization's culture must support employee involvement and the issues in which employees get involved must be relevant to them. Representative participation must allow workers to be represented by a small group who actually participate. The goal of representative participation is to redistribute power within the organization. Employees' interests become as important as those interests of management and stockholders.

Participative Management can also be termed as 'Industrial Democracy', 'Co-determination', 'Employee Involvement' as well as 'Participative Decision Making'. The concept of employee participation in organization's decision making is not new. However, the idea couldn't gain that much popularity among organizations. Studies have shown that only 3-5 percent of organizations have actually implemented this concept in their daily operations. Though the theory of participative management is as old as the institution of employees and employers still it is not applied by a large proportion of organizations.

The idea behind employee involvement at every stage of decision making is absolutely straight. Open and honest communication always produces good results both for organization as well as workers. Freedom and transparency in organization's operations take it to the next level and strengthens the basis of the organization. On the other hand, there are several organizations that straightway rule out the possibility of participative decision making process. According to them, employees misuse their freedom of expression and participation in decision making as it provides higher status to employees and empowers them. However, there are many organizations who have embraced this particular style of management and are now getting positive results. (Amy McMillan, 2010)

2.2.3 Theories of participative management

Participative management theorists have repeatedly found evidence to support the advantages of participative management such as; Theory Y versus Theory X; Theory Z; Total Quality Management (TQM); Leadership theories; Management by Walking Around; Management by Objectives; employee empowerment; and Likert theory of management. The summary of these participative management theories are as follow:
Douglas McGregor (1960) an American social psychologist, proposed his famous X-Y theory in his book 'The Human Side of Enterprise'. McGregor's ideas suggest that there are two fundamental approaches to managing people. Many managers tend towards theory X and generally get poor results. Enlightened managers use theory Y, which produces better performance and results, and allows people to grow and develop.

Douglas McGregor's Theory X assumes that people are lazy, they don't want to work, and it is the job of the manager to force or coerce them to work. McGregor's Theory X makes three basic assumptions:

1. The average human being dislikes work and will do anything to avoid or get out of it;
2. Therefore, most people must be forced, controlled, directed, threatened or punished to get them to work toward organizational objectives; and
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and places job security above ambition. According to this theory, responsibility for demonstrating initiative and motivation lies with the employee and failure to perform is his or her fault. Employees are motivated by extrinsic rewards such as money, promotions, and tenure.

It can be said that leader of Theory X believes that people are inherently lazy, need to be told what to do and will work only when pushed. They use techniques commonly known as the "stick" (Hard X) to punish or threaten employees. Or, they may use the "carrot" technique (Soft X), by promising some reward for compliance with the manager's directives.

Douglas McGregor's Theory Y suggests employees would behave differently if treated differently by managers. Theory Y assumes that higher-order needs dominate individuals. The set of assumptions for Theory Y is:

1. The average human has effort in work as natural as work and play;
2. People will exercise self-direction and self-control in the pursuit of organizational objectives;
(3) Rewards of satisfaction and self-actualization are obtained from effort put forth to achieve organizational objectives;
(4) The average human being usually accepts and often seeks responsibility;
(5) Human beings is creative and use high degree of imaginative in solving organizational problems and creativity in solving organizational problems; and
(6) The intellectual potential of the average human is only partially realized. If productivity is low and employees are not motivated, then it is considered failure on the manager's part.

It can be said that leader of Theory Y tends to believe that people are self-motivated to perform work that is satisfying to them. These leaders feel that if they provide a good environment, the employee can be successful, learn new things, use their creativity and accept responsibility for helping the company succeed.

2.2.3.2 William Ouchi's Z Theory

Theory Z is an approach to management based upon a combination of American and Japanese management philosophies and characterized by, among other things, long-term job security, consensual decision making, slow evaluation and promotion procedures, and individual responsibility within a group context. Proponents of Theory Z suggest that it leads to improvements in organizational performance. The following sections highlight the development of Theory Z, Theory Z as an approach to management including each of the characteristics noted above, and an evaluation of Theory Z.

Ouchi, W.G. (1981)13 studied management practices in the United States and Japan and developed Theory Z. Theory Z combines elements of both U.S. and Japanese management styles and is sometimes called "Japanese Management". It assumes that the best management style involves employees at all levels of the organization. Specific characteristics included in Theory Z are:

(1) Long-term employment and job security: Z theory promote stability in the organization and job security among employees.

(2) Collective responsibility: Z theory organizations retain the emphasis on individual contributions that are characteristic of most American firms by recognizing
individual achievements, albeit within the context of the wider group.

(3) Implicit, informal control with explicit, formalized measures: Z theory relies on informal methods of control, but does measure performance through formal mechanisms.

(4) Collective decision-making: Z theory emphasizes communication, collaboration, and consensus in decision making

(5) Slow evaluation and promotion

(6) Moderately specialized career path: Z Theory adopts a middle-of-the-road posture, with career paths that are less specialized than the traditional U.S. model but more specialized than the traditional Japanese model.

(7) Concern for a total person, including their family

It can be said that the features of Z theory emphasized on long-term employment, less specialized career paths, informal control, group decision making, and concern for the individual rises above work-related issues. This theory satisfies both lower order and higher order needs. Looking out for employees' well being satisfies the lower-level needs.

Incorporating group processes in decision making satisfy middle-level needs and encouraging employees to take responsibility for their work and decisions satisfy higher-level needs. Many firms are increasing productivity by placing more emphasis on group decision-making and teams. Firms are also showing more concern for family-related issues like childcare, flexible work schedules, and telecommuting.

For better understanding, table 2.1 compares the similar and difference between theory X, Y and Z
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<th>Theory X</th>
<th>Theory Y</th>
<th>Theory Z</th>
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<td>Workers' motivation</td>
<td>Leader assumes that the only motivation that works for employees is money</td>
<td>Leader assumes that employees are motivated by their needs to fulfill their esteem, self-actualization and security.</td>
<td>Leader assumes that employees are motivated by a strong sense of commitment to be a part of something worthwhile and the self-actualization need.</td>
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<td>Workers' attitude toward work</td>
<td>Leader assumes that employees dislike to work, avoids responsibility, and seeks only security from work.</td>
<td>Leader believes that employees see work as natural activity and seek out opportunities to increased responsibility and understanding of their tasks.</td>
<td>Leader assumes that employees will not only seek out opportunities for responsibility, in fact, they crave opportunities to advance and learn more.</td>
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<td>What will work with employees:</td>
<td>Leader believes that employees will only respond to coercion, control, direction (telling them exactly what to do) or threatening punishment or firing.</td>
<td>Leader believes that employees will respond best to favourable working conditions that do not pose threats or strong control.</td>
<td>Leader believes that employees should learn the business through various departments, come up through the ranks slowly, and that organization will get the best benefits from that employees by making it possible for having &quot;lifetime employment&quot;. Results will be strong on loyalty developed by long-term employment and responsibilities.</td>
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2.2.3.3 Total Quality Management (TQM)

Total Quality Management (TQM) is a management style that integrates all functions of a business and philosophy of management for continuously improving the high quality of products and processes. It is a management system for a customer focused organization that involves all employees in continual improvement of all aspects of the organization. The major hallmarks are customer satisfaction, quality as the responsibility of all employees, and teamwork. As an integrated method, it involves every aspect of the organization. The entire workforce, from the leader to the line worker, must be involved in a shared commitment to improving quality. TQM encourages employees to grow and learn and to participate in improvements, so it exemplifies a participative management style. TQM also encourages an ever-changing or continuous process, and emphasizes the ideas of working constantly toward improved quality. Today, TQM has become a part of corporate management on a global scale (Yusof & Aspinwall: 2000).\(^{14}\)

Americans W. Edward Deming and Joseph M. Juran were the pioneers of the quality movement. Both did their major work in post-World War II Japan, and are credited with the major turnaround in the quality of Japanese products by the 1970s. In the 1980s both men were highly influential in the quality management movement in the United States.

Deming, W.E. (1986)\(^{15}\) describes that quality management (QM) is a method for ensuring that all the activities necessary to design, develop and implement a product or service are effective and efficient with respect to the system and its performance. TQM provides a framework for implementing effective quality and productivity initiatives that can increase the profitability and competitiveness of organizations.

Milakovich, M.E. (1990)\(^{16}\) described that Total Quality Management (TQM) is a total organizational approach for meeting customer needs and expectations that involves all managers and employees in using quantitative methods to improve continuously the organization's processes, products and services."
Evans (1993)\textsuperscript{17} states that Total Quality Management (TQM) is “an integrative management concept of continuously improving the quality of delivered goods and services through the participation of all levels and functions of the organization. Everyone in the organization plays a part in the production of quality goods and services.”

Ross (1995)\textsuperscript{18} looked at Total Quality Management (TQM) as a systems approach to quality that integrates interrelated functions and considers the interaction of various elements of the organization. He explains that Total Quality Management (TQM) is an integrated management philosophy and set of practices that emphasizes, among other things, continuous improvement, meeting customers’ requirements, reducing rework, long-range thinking, increased employee involvement and teamwork, process redesign, competitive benchmarking, team-based problem-solving, constant measurement of results, and closer relationships with suppliers. Its adherents claim that managers can implement TQM in any organization, manufacturing, service, nonprofit, government and that it generates improved products and service, reduced costs, more satisfied customers and employees, and improved bottom line financial performance.

Morgan, C. & Murgatroyd, S. (1997)\textsuperscript{19} defines Total Quality Management (TQM) as a total organizational approach for meeting customer needs and expectations that involves all managers and employees in using quantitative methods to improve continuously the organization’s processes, products, and services.

Dale, B.G. (1999)\textsuperscript{20} explains that Total Quality Management (TQM) is the mutual co-operation of everyone in an organization and associated business processes to produce products and services, which meet and, hopefully, exceed the needs and expectations of customers. TQM is both a philosophy and a set of management guiding principles for managing an organization.

It can be concluded that Total Quality Management (TQM) is a comprehensive system approach that works horizontally across an organization, involving all departments and employees to management methods used for enhancing of quality and productivity in organizations. TQM functions on the premise that the quality of products and processes is
the responsibility of everyone who is involved with the creation or consumption of the products or services offered by an organization. TQM capitalizes on the involvement of management, workforce, suppliers, and customers, in order to meet or exceed customer expectations. TQM uses strategy, data, and effective communication to integrate the quality principles into the culture and activities of the organization. The objective of TQM is to build an organization that produces products or performs services that are considered as quality by those who use them. The quality of a product or a service is the customer's perception of the degree to which the product or service meets their expectations. Therefore, the principles of TQM are to seek to satisfy the external customer with quality goods and services, as well as the internal customers; to satisfy the external and internal suppliers; and to continuously improve processes by working smarter and using special quality methods.

The principle of TQM can be identified into two major components: the "soft" side and "hard side" of the TQM approach. The TQM gurus focused the "hard side" of TQM by emphasizing the importance of statistics and operations in the quality assurance process within organizations whereas the "soft side" comprising on the Total Employee Involvement, Continuous Improvement, Continuous Training, Teamwork, Empowerment, Top-management Commitment and Support, Democratic Management Style, Customer/Citizen Satisfaction, and Culture Change. (Wilkinson, Redman, & Snape, 1998) 

In order to ensure the involvement of everyone to assure the quality of products produced, the principles of Total Quality Management (TQM) formulated by Deming, W.E. (1986) are as follows:

1. Customer and supplier satisfaction: For quality improvement, employee must be well aware of the principle of internal and external customer and suppliers. They must care about meeting and exceeding the customers and suppliers satisfaction and expectations. They must be a focus on customer feedback and accordingly the process must be driven. The companies have to seek to satisfy the customer by providing them not only value and quality they expect, but the extra service to make their customers feel important and valued. The companies must understand current and future customers and suppliers needs, meet customers and suppliers requirements, and strive to exceed customers and
suppliers expectations. Therefore, whatever to foster quality improvement, training employees, integrating quality into process management, it must be emphasized that only customer determine whether the efforts were worthwhile.

(2) Continuous improvement: Continual improvement must be a permanent objective of an organization. TQM is not something that can be done once and then forgotten. It's not a management that ends after a problem has been solved. Real improvements must occur frequently and continually in order to increase customers’ satisfaction and loyalty. Employees must be trained to identify opportunities for continuous improvement. Employees should receive regular and appropriate training on the analytical methodology, quality tools, modern and implementation of new technologies, modern information resources, telecommunications application software, and statistical process control (SPC) etc. The fact and information should be made available to all. With the help of information technology, effective communication is vital in aligning workforce towards corporate expectations.

(3) Employee involvement: Employees should be encouraged to be proactive in identifying and addressing quality related problems. Every action by every employee should add value to the process or product in every way all the time. Top management should act as the main driver for TQM and create an environment that involves the employees’ participation. Everyone in the organization, from the workers on the line to the upper management, must realize that they have an important part to play in ensuring high levels of quality in their products and services. Everyone has a customer to delight, and they must all step up and take responsibility for them. Therefore, people at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization’s benefit.

(4) Delegation and empowerment: Delegating and empowering means giving employees responsibility for their actions affecting their work. Employees have to be responsible for quality, safety, productivity and deliverability. Encourage the employees to make decisions and to develop a pattern of delivering perfect products & services on time. Therefore, the company have to make sure that the fear from work place must be removed and the proper environment and empower employee must provided.

(5) Management leadership: Successful quality performance requires that leadership is dedicated to quality. Leaders have to establish unity of purpose, direction and
the internal environment of organization. He has to create the environment in which people can become fully involved in achieving the organization's objectives. He has to identify, understand and manage a system of interrelated processes for a given objective contributes to the effective and efficiency of the organization. He must also provide initiative, resource support and enable creativity to be nurtured and accordingly chalk out the strategy. He has to make a desired results achieved more efficiently when related resources and activities are managed as a process. The decision making should base on the logical intuitive analysis of data and information.

(6) **Teamwork:** Organization should encourage problem solving through teamwork. Employees must demonstrate cooperative behaviour and positive attitude towards working in a team. Therefore, there must be the mutual beneficial relationship between the organization and suppliers. Long-term relationship and mutual respect should be encouraged in teamwork. Involve everyone or mutual respect is very essential for effective team work.

(7) **Reward and reinforcement:** Organization should reward their employee for their contribution to quality. There should be quick recognition system for outstanding performance by the employees.

(8) **Strategy:** Organization should demonstrate management's permanent commitment to quality and productivity. All employees must know the organization's mission, vision, strategic plan and systematic approach. Organization has to develop a master plan and organization's strategies i.e. develop "Win-Win" scenario, use "80/20" principle for problem solving, make zero defect planning etc. Use the tools of TQM and problem-solving to achieve the goals by detecting and eliminating the causes. Use TQM as the way of thinking about goals, organizations, and process. Take the help of thought process can change attitudes, behaviour and hence results for the better.

(9) **Work culture:** The culture of organization should aim at developing employees ability to work together to improve quality. They have to emphasize in the mutual trust and confidence. They should be perception of fair treatment; must be guided by the value, ethical standards; and must focus on benchmarking which provides a stimulus for improvement.
Measurement and evaluation: Organization must measure and evaluate before making decisions and make decision on evidence or the facts and data. Quality management system is only effective when it can be quantified the results. It needs to see how the process is implemented and if it is having the desire effect. This will help to set goals for the future and ensure that every department work towards the same results.

Deming believed that adoption of, and action on, the fourteen points was a signal that management intended to stay in business. Deming also encouraged a systematic approach to problem solving and promoted the widely known Plan, Do, Check, Act (PDCA) cycle. The PDCA cycle is also known as the Deming cycle. Deming cycle is a universal improvement methodology, the idea being to constantly improve, and thereby reduce the difference between the requirement of the customers and the performance of the process. The meaning of PDCA is as follow:

Plan: What are the objectives and expected output of development process? Identify and analyze the problem.

Do: Do according to the plan. Try out or test the solutions (sometime at the pilot level)

Check: Whether everything has gone according to plan to the effect of the tried out, and make sure that there no negative consequences associated with them.

Act: Act on what was learned. Adjust anything that has not gone according to plan. If accomplished the objective, put controls into place so that the issue never comes back again. If not accomplish the objective, go through the cycle again, starting with the plan step.

The plan-Do-Check-Act (PDCA) cycle provides a simple but effective approach for problem solving and managing change, ensuring that ideas are appropriately tested before committing to full implementation. It can be used in all sorts of environments from new product development through to marketing. It begins with a Planning stage in which the problem is clearly identified and understood. Potential solutions are then generate and tested on a small scale in the “Do” stage, and the outcome of this testing is evaluated during the “Check” stage. “Do” and “Check” stages can be iterated as many times as is necessary before the full, polished solution is implemented in the “Act” stage.
The Deming cycle can be very useful for the improvement of quality of work to work faster and more efficiently. It provides a useful, controlled problem solving process. It is particularly effective for:

- Continuous improvement approaches, when the cycle is repeated again and again as new areas for improvement are sought and solved.

- Identifying new solutions and improving the processes that are repeated frequently. In this solution, it will benefit from extra improvements built in to the process many times over once it is implemented.

- Exploring a range of possible new solutions to problems, and trying them out and improving them in controlled way before selecting one for full implementation.

- Avoid the large scale wastage of resources that comes with full scale implementation of a mediocre or poor solution.

2.2.3.4 Leadership theories

With regard to leadership theory, there are three main theoretical frameworks different theories concerned to participative management system i.e. Two-Dimension leadership theory, Grid cell theory of Blake and Mouton, Contingency or situational theory, Vroom-Yetton-Jago decision making model of leadership and Hersey Blanchard situational leadership theory.

(1) Ohio State University Two-Dimension leadership theory

A study on Two-Dimension leadership was done in Ohio State University, starting in the 1950s. The Ohio State University studies utilized the Leader Behaviour Description Questionnaire (LBDQ), administering it to samples of individuals in the military, manufacturing companies, college administrators, and student leaders. Answers to the questionnaire were factor-analyzed to determine if common leader behaviours emerged across samples. The conclusion was that there were two distinct aspects of leadership that describe how leaders carry out their roles: initiating structure and consideration. (Halpin, A. W., and Winer, B. J., 1957)

Initiating structure, sometimes called task-oriented behaviour, involves planning, organizing, and coordinating the work of subordinates. According to this dimension
relationship is created between leader and group members who are colleagues, in order to create perfect and suitable organizational pattern, finding ways to contact and create understanding amongst persons in the working unit.

Consideration is relevant to maintaining relationship among colleagues, leadership behaviour according to this dimension, includes showing friendliness, mutual trust, warmth, respectability as well as warm relationship.

From the result of research in Ohio University, later a more precise method was proposed in the characteristics of a leader can be depicted by using a quadrant on an assumption set on 2 axis i.e. Initiating Structure axis and Consideration axis (Two-Dimension leadership theory) as shown in figure 2.1.

**FIGURE 2.1**
LEADERSHIP STYLE ACCORDING TO 2-D THEORY OF OHIO UNIVERSITY

(2) Grid Cell Theory of Blake and Mouton.

One concept based largely on the behavioural approach to leadership effectiveness was the Managerial Grid, developed by Robert Blake and Jane Mouton. (Blake and Mouton, 1964) Blake and Mouton belief that the primary role of a leader is to get the tasks done through the people, leaders have to focus on the productivity of the employees along with maintaining good relationship with them.

Leaders who are strong in technical skills would naturally focus on structuring and planning of the work, defining activities and scheduling them. On the other hand,
leaders who have strong personal traits would focus on building trust, delegating responsibilities and thereby bringing meaning to their work and motivating them. These two distinct styles are termed as "task-oriented style" or "people-oriented style" of leadership.

Task-oriented style means how the leader does to create production, which comprises of attitude towards different things, quality of judgment, policy, performance process, initiative relevant to research, volume of outcome of work, quality of work, etc.

People-oriented style means the leader uses this method in working with followers which comprises of relationship of people in order to attain target of the organization, and realization and giving honour to the follower, responsibility due to trust more than giving instructions, arranging a good working environment as well as promoting good relationship amongst the people, etc.

Both dimensions are independent from each other. Each dimension is divided into 9 grid cells from 1 to 9 wherein 1 means low; 5 means medium; and 9 mean high. Therefore, Managerial grid of Blake and Mouton has 81 grid cells. Each grid cell represents one pattern of leadership. Managerial grid is as below. (Blake and Mouton 1964:11)
From figure 2.2, it explains leadership behaviour as follow:-

(a) **Impoverished Leader** (1,1: Low People – Low Task Concern)

Such leaders exhibit lack of concern for the result of the assigned task or interpersonal relationship. He is the leader who is not interested in both the people and the output of work. They act uninvolved and withdrawn from the organizations objectives and often give an impression of incumbency. He administers the work inertly and inactively. He will be satisfied with the amount of work. He will perform his regular work without having an aim. He is the leader who separates himself from other people in the organization. He entrusts authority to other people and usually blames other people for the error. He acts as he has the duty to being documents from his superior to the subordinates. He is the leader who has least efficiency because he is unable to work in order to achieve the target. Since it might appear that they perform only to sustain their employment.

(b) **Country Club Leader** (1,9: High People – Low Task Concern)

Such leaders exhibit care and concern for the people, they create a comfortable and friendly environment while de-emphasizing the productivity of task. In certain situations, like a country club leader, where the primary role is to create a comfortable environment for clients while providing routine amenities, such leaders might be desired. He is the country-style leader who aims at having relationship with people as an important point. He tries to make his colleagues have highest satisfaction which enables minimal production. He tries to be friendly with people but does not actually aim at having much production. He tries to make his followers satisfied, at the same time tries to avoid conflicts as much as possible.

Upon facing with conflicts, leader (1, 9) will try to cover up or tries to fade away with that conflict. He tries to give in to other people that he has to follow other’s opinion even though his idea is correct, because he does not want others to become dissatisfied. He tries to avoid causing conflicts. If it is necessary to remedy the conflict problem, he usually entrusts other people to remedy the problem, or if he has to remedy the conflict problem himself, he will try to stop the emotion of other people. He will try to forget his requirement which is different from others. He will try to be considerate to other’s feeling as an important point.
(c) Task-Oriented Leader or Authority Compliant Leader (9, 1: Low People – High Task Concern)

These leaders have a strong focus on good planning and successful completion of task. They place little emphasis on relationships, motivation or communication with their subordinates. They believe in setting up the organizational structure that maximizes the productivity while minimizing the interference of human elements. At first, it might appear to be an undesired style of leadership, since it is very dictatorial, but such leaders are highly effective in tasks that are extremely critical, highly structured and have a short duration. An organization at the verge of collapse might require such leader to fix it, but might not be suitable once the restructuring is finished and organization is back to routine.

This is the leader who is work-conscious and aims at finishing the work only without being interested in other people's requirement. He only aims at effectiveness and efficiency of work without considering about humanity of his colleagues. He forces his subordinates. He will indicate to his subordinates as to what they should do and how to do it. He likes to use his authority, uses the rules and regulations and gives instructions. When having to face with conflicts, leader (9.1) will use his authority to suppress the conflict by aiming at defeating and winning and he has to win. In conflict situation, he usually asks his colleagues whether he will stay or will go. When he himself has the power, therefore, his subordinate is a defeater. This type of administrator does not like working in a team because he is afraid that his subordinates/colleagues will group together and protest. He will remedy the conflict justifiably will contradict or in a method that he would win.

(d) Middle of the Road Leader (5, 5: Medium people & Task Concern).

These leaders are compromisers who have weak balance between concern for people and task. They avoid any conflicting situations and try to get the work done by moderately focusing on interpersonal relationships; they do not try to push others too much for sake of better results. This type of leader will give moderate intention about people and work. He will give importance to people and work in a medium level. His colleagues are quite satisfied with him while the work is moderately successful. Such leaders can be effective in matured and structured organization that is performing routine job functions or services and do not envision much growth in future.
(e) **Team Leader (9, 9: High People - High Task Concern)**

This is the leader who emphasizes on personal and result of work. He works in a team or a group. His colleagues are satisfied in working and give co-operation. He is attached with the work and the organization, which enables highly successful result. Every party is satisfied with the output of work. When facing with contradiction, Team Leader (9.9) normally is not interested as who is the conflict party, but he will try to see where is the problem of conflict. He will try to find out the cause of conflict will find the various data's relevant to the conflict and will use process for remedying the problem in a systematic way. He will try to remedy the conflict in a reasonable way. This type of administrator sees that conflict cannot be avoided, but it is not always bad. He will try to make people participate in remedying the problem so that the organization can achieve its highest target. This style tries to maximize the concern for both task and people.

Such leaders create strongly structured tasks, set clear priorities and track the progress on timely basis. At the same time, they promote active participation & teamwork, creates open and comfortable environment, sets guidelines for effective communication and empowers the individuals enough to keep them motivated. Even though this is the most preferred style, it may be best suited in a growing organization which needs to thrive on internal synergy. Figure 2.3 shows the leadership Grid concern for tasks and people.

![The Leadership Grid](image)

**FIGURE 2.3**

THE LEADERSHIP GRID CONCERN FOR TASKS AND PEOPLE
(3) Contingency (situational) approach

Contingency or situational theories of leadership propose that the organizational or work group context affects the extent to which given leader traits and behaviours will be effective. Contingency theories gained prominence between 1957 to 1970. Four of the more well-known contingency theories are Continuum leadership behaviour, Fiedler's contingency theory, Path-goal theory, the Vroom-Yetton-Jago decision-making model of leadership, and Hersey Blanchard situational leadership theory. Each of these approaches to leadership is briefly described in the paragraphs that follow.

(3.1) The continuum of Leadership Behaviour

The model put forward by Robert Tannenbaum and Warren H. Schmidt (1957)26 framed leadership in terms of choices managers may make regarding subordinates' participation in decision making.
A leader is characterized according to degree of control that is maintained by him. According to this approach, four main styles of leadership have been identified:

- **Tells**: Leader identifies a problem, chooses a decision, and announces this to subordinates. The subordinates are not a party to the decision making process and the manager expects them to implement his decisions as soon as possible.

- **Sells**: Decision is chosen by leader only but he understands that there will be some amount of resistance from those faced with the decision and therefore makes efforts to persuade them to accept it.

- **Consults**: Though the problem is identified by leader, he does not take a final decision. The problem is presented to the subordinates and the solutions are suggested by the subordinates.

- **Joins**: Leader defines the limits within which the decision can be taken by the subordinates and then makes the final decision along with the subordinates.

### (3.2) Fielder’s Contingency Model

Fielder's contingency theory (1967) was the first to specify how situational factors interact with leader traits and behaviour to influence leadership effectiveness. The theory suggests that the "favorability" of the situation determines the effectiveness of task- and person-oriented leader behaviour. (Fiedler, F. E., 1967) In this model leadership is effective when the leader's style is appropriate to the situation, as determined by three principal factors:

- **(a) Leader-member relations**: The nature of the interpersonal relationship between leader and follower, expressed in terms of good through poor, with qualifying modifiers attached as necessary. It is obvious that the leader's personality and the personalities of subordinates play important roles in this variable.

- **(b) Task structure**: The nature of the subordinate's task, described as structured or unstructured, associated with the amount of creative freedom allowed the subordinate to accomplish the task, and how the task is defined.

- **(c) Position power**: The degree to which the position itself enables the leader to get the group members to comply with and accept his or her direction and leadership
(3.3) Path-Goal Theory

The path goal theory centers on the motivational factors of the subordinates that have significant influence on the outcome of the task. It was originally proposed by Robert House (1971)\textsuperscript{29}

Components of Path-Goal Leadership

The path goal theory has three major components

(a) Leadership Style: The basic styles are as defined by situational leadership, namely “directing”, “coaching”, “participating” and “delegating” but it adds more styles discussed later.

(b) Subordinate Preference: It deals with accessing how a subordinate will perceive a particular leadership style; will he find it satisfying and motivating or stressful and unsatisfying? An employee might perceive his own abilities as high and thus views the coaching and directing behaviour as irritating and de-motivating. Some subordinates might like to demand more authority on their work while other might expect better support.
(c) Task Structure: It deals with analyzing the task and reformulating its structure in a clear way. Thus is the removing of road blocks in the task, but increasing the confidence or willingness of the employees.

Propositions for leadership styles

(a) Directive Path-Goal Clarifying Leadership Behaviour: The leader directs toward providing psychological structure for subordinates. Leaders sets goals and clarify them the path (what, when, how to perform tasks) to reach the goal. The leader clarifies the path to the goal by providing clear directives and measuring the performance. In this style, duties are at heart of the leader-subordinate relationship. It includes structuring and motivating subordinates, overseeing their progress, promoting and encouraging their development, and balancing effectiveness. The leader provides guidance, lets subordinates know what is expected of them, sets performance standards for them, and controls behaviour when performance standards are not met. He makes judicious use of rewards and disciplinary action. Specific advice is given to the group and ground rules and structure are established.

Directive Path-Goal Clarifying Leadership Behaviour is effective when task is ambiguous & intrinsically satisfying and subordinates self perception of abilities is low; the clarification of task by leader is positive support and when subordinate has low preference for independence and self direction and ineffective if subordinate perceives his on abilities as high and demands more Authority and if task is routine & unambiguous, the clarifying behaviour will be perceived as over-controlling or detrimental to one's abilities.

(b) Supportive Leadership Behaviour: Supportive leader provides psychological support to subordinates, displays personal concern for their needs, provides welfare & well being and creates friendly environment. Good relations are promotes with the group and sensitivity to subordinates' needs is shown. Leader directs towards the satisfaction of subordinates needs and preferences. Leader sets a goal and gives moral support by being open, approachable and friendly to subordinates to perform the task. Highlights factual or value based external views into the organization and to subordinates. This includes increasing the subordinates' self-esteem and making the job more interesting. A supportive leadership style requires both filtering and delegation skills.
Supportive Leadership Behaviour is suitable when subordinate lack of confidence and best when the work is stressful, boring or hazardous and especially needed in situations in which tasks or relationships are psychologically or physically distressing.

(c) Participative Leadership Behaviour: The leader encourages involvement of subordinates in decision making and operations. Leader directs toward encouragement of subordinate influence on decision making and doing the tasks. Leader sets the goal and asks for suggestions to select the best suited path decisions. Leader believes in group decision making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and path to resolve goals. Leader involves the subordinate in a discussion of the task required before making a decision. Decision making is based on consultation with the group and information is shared with the group. Consulting with subordinates and taking their ideas into account when making decisions and taking particular actions.

Participative Leadership Behaviour is best when the subordinates are expert and their advice is both needed and they expect to be able to give it. This behaviour is well suited when subordinates show lack of decision making and is use when the subordinate makes incorrect procedure. This behaviour is predominant when subordinates are highly personally involved in their work. The leader aligns the subordinate and organizational goals, empowers subordinate by increased involvement in organization. A leader who expert in participative style is one who invites subordinates to share the decision making. This kind of leader asks subordinates for ideas, opinions and takes their suggestions into account.

(d) Achievement – Oriented Leadership Behaviour: Leader directs toward encouraging performance excellence. Leader sets challenging goals and lay path for them to perform to the highest level or to reach their peak performance. The leader encourages performance excellence and exhibits confidence in ability of subordinates to meet challenging goals. He believes that subordinates are responsible enough to accomplish challenging goals. Characterized by setting challenging goals for subordinates and expecting them to perform to high standards, this style is designed to be used when the subordinate lacks the sufficient drive or has a lack of job challenge. Challenging goals are set, both in work and self-improvement and high performance is encouraged while
confidence is shown in the group's ability. High expected and demonstrated and expected. Leader shows faith in the capabilities of the subordinate to succeed.

Achievement-Oriented Leadership Behaviour is suitable when subordinates lack of sufficient drive or lack of job challenge or the task is complex. A leader, who exhibits this style, establishes high standards of excellence for subordinates and seeks for continuous improvement. A leader like this shows great confidence in their subordinates to set and achieve challenging goals.

According to this theory, leaders are effective because of their impact on subordinates' motivation, ability to perform effectively and satisfactions. The theory is called “Path-Goals” because its major concern is how the leader influences the subordinates’ perceptions of their work goals, personal goals, and path to goal attainment. The theory suggests that a leader's behaviour is moving or satisfying to the degree that the behaviour increases subordinate goal attainment and clarifies the paths to these goals. Path-Goals theory assumes that leaders are flexible and that they can change their style, as situations require.

(3.4) Vroom-Yetton-Jago decision-making model of leadership

The Vroom-Yetton-Jago decision-making model was introduced by Victor Vroom and Phillip Yetton in 1973 and revised by Vroom and Jago in 1988. The theory focuses primarily on the degree of subordinate participation that is appropriate in different situations. Thus, it emphasizes the decision-making style of the leader. (Victor Vroom and Yetton, Phillip W. (1973)³⁰

There are five types of leader decision-making styles, which are labeled Al, All, Cl, CII, and G. These styles range from strongly autocratic (Al), to strongly democratic (G).

Autocratic Type 1 (Al) – Leader makes own decision using information that is readily available to follower at the time. This type is completely autocratic.

Autocratic Type 2 (All) – Leader collects required information from followers, then makes decision alone. Problem or decision may or may not be informed to followers. Here, followers involvement is just providing information.
Consultative Type 1 (Cl) – Leader shares problem to relevant followers individually and seeks their ideas & suggestions and makes decision alone. Here followers' do not meet each other & leader’s decision may or may not have followers influence. So, here followers involvement is at the level of providing alternatives individually.

Consultative Type 2 (CII) – Leader shares problem to relevant followers as a group and seeks their ideas & suggestions and makes decision alone. Here followers’ meet each other and through discussions they understand other alternatives. But leader’s decision may or may not have followers influence. So, here follower involvement is at the level of helping as a group in decision-making.

Group-based Type 2(GII) – Leader discuss problem & situation with followers as a group and seeks their ideas & suggestions through brainstorming. Leader accepts any decision & do not try to force his idea. Decision accepted by the group is the final one.

(5) Hersey Blanchard situational leadership theory

This theory was first introduced as "Life Cycle Theory of Leadership". (Hersey and Blanchard, 1969). During the mid 1970s, "Life Cycle Theory of Leadership" was renamed "Situational Leadership theory". According to this model, the leader has to match the leadership style according to the readiness of subordinates which moves in stage and has a cycle. Therefore, this theory is also known as the life-cycle theory of leadership. The theory based on the 'readiness' level of the people the leader is attempting to influence. Readiness is the extent to which followers have the ability and willingness to accomplish a specific task. Ability is the knowledge, experience, and skill that an individual possesses to do the job and is called job readiness. Willingness is the motivation and commitment required to accomplish a given task. The style of leadership depends on the level of readiness or maturity of the followers. The level of readiness(R) or maturity (M) is divided into four levels:

R1 (M1) - low follower readiness - refers to low ability and low willingness of followers i.e. those who are unable and insecure

R2 (M2) - low to moderate follower readiness - refers to low ability and high willingness of followers i.e. those who are unable but confident
R3 (M3) - moderate to high follower readiness - refers to high ability and low willingness of followers i.e. those who are able but insecure

R4 (M4) - high follower readiness - refers to high ability and high willingness of followers i.e. those who are both able and confident

The direction is provided by the leader at the lower levels of readiness. Therefore, the decisions are leader directed. On the other hand, the direction is provided by the followers at the higher levels of readiness. Therefore, the decisions in this case are follower directed. When the followers move from low levels to high levels of readiness, the combinations of task and relationship behaviours appropriate to the situation begin to change.

For each of the four levels of readiness, the leadership style used may be a combination of task and relationship behaviour.

**Task behaviour:** Extent to which the leader spells out the duties and responsibilities of a follower which includes providing them direction, setting goals, and defining roles for them. Usually a one-way communication exists which is meant to provide the direction to the followers.

**Relationship behaviour:** Extent to which the leader listens to the followers, and provides encouragement to them. Here, a two-way communication exists between the leader and the follower.

By combining the task and the relationship behaviour, the following four different styles of leadership which correspond with the different levels of readiness as shown is follow:

**S1 - Telling:** This style is characterized by one-way communication in which the leader defines the roles of the individual or group and provides the what, how, why, when and where to do the task. This style is most appropriate for low follower readiness (R1). It emphasizes high task behaviour and limited relationship behaviour.

**S2 - Selling:** While the leader is still providing the direction, he or she is now using two-way communication and providing the socio-emotional support that will allow the individual or group being influenced to buy into the process. This style is most appropriate
for low to moderate follower readiness (R2). It emphasizes high amounts of both task and relationship behaviour.

**S3 - Participating:** This is how shared decision-making about aspects of how the task is accomplished and the leader is providing less task behaviours while maintaining high relationship behaviour. This style is most appropriate for moderate to high follower readiness (R3). It emphasizes high amount of relationship behaviour but low amount of task behaviour.

**S4 - Delegating:** The leader is still involved in decisions; however, the process and responsibility has been passed to the individual or group. The leader stays involved to monitor progress. This style is most appropriate for high follower readiness (R4).

**FIGURE 2.6**

HERSEY BLANCHARD SITUATIONAL LEADERSHIP MODEL

2.2.3.5 Management by walking around

Management by Walking Around (MBWA) is a classic technique used by good leaders who are proactive listeners. Leaders using this style gather as much information as possible so that a challenging situation doesn’t turn into a bigger problem. Listening carefully
to employees' suggestions and concerns will help evade potential crises. MBWA benefits leaders by providing unfiltered, real-time information about processes and policies that is often left out of formal communication channels. By walking around, management gets an idea of the level of morale in the organization and can offer help if there is trouble.

A potential concern of MBWA is that the leaders will second-guess employees' decisions. The leaders must maintain his or her role as coach and counselor, not director. By leaving decision-making responsibilities with the employees, managers can be assured of the fastest possible response time.

According to Max Messmer (2011), another mistake managers make is to inadvertently create more work for employees. By offering suggestions that may be interpreted as assignments, leaders can increase the workload and slow down progress.

Messmer illustrates an example of a team working on a project that needs a supplier of plastic molding. When the leader shows up, the team has reviewed three companies and selected the best one. The manager also knows of a good company, and suggests that team members give this company a call. They may not feel comfortable in saying that the decision has already been made, and will take the extra time to call the organization in order to please the leader.

2.2.3.6 Management by objectives

Management by objectives (MBO) is a process of defining objectives within an organization so that management and employees agree to the objectives and understand what they need to do in the organization in order to achieve them. It is a company-wide process in which employees actively participate in setting goals that are tangible, verifiable, and measurable. The term "management by objectives" was first popularized by Peter Drucker in his 1954 book 'The Practice of Management'.

According to George S. Odiorne (1965), the system of management by objectives can be described as a process whereby the superior and subordinate jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members. MBO provides a systematic method of
assuring that all employees and work groups set goals that are in alignment with achieving the organization's goals.

The principle behind Management by Objectives (MBO) is for employees to have a clear understanding of the roles and responsibilities expected of them. They can then understand how their activities relate to the achievement of the organization's goal. MBO also places importance on fulfilling the personal goals of each employee.

Some of the important features and advantages of MBO are:

- **Motivation** – Involving employees in the whole process of goal setting and increasing employee empowerment. This increases employee job satisfaction and commitment.

- **Better communication and coordination** – Frequent reviews and interactions between superiors and subordinates helps to maintain harmonious relationships within the organization and also to solve many problems.

- **Clarity of goals**

- **Subordinates tend to have a higher commitment to objectives they set for themselves than those imposed on them by another person.**

- **Managers can ensure that objectives of the subordinates are linked to the organization's objectives.**

There are four steps involved in the MBO process: (1) setting goals, (2) participative decision-making, (3) implementing plans, and (4) performance feedback.

Top managers work with middle managers and middle managers work with lower level managers to set goals for their departments. Each manager then works with employees in the department to set individual performance goals. The participative decision-making step allows managers and employees to jointly set goals, define responsibility for achieving those goals, and set the evaluation process. Managers are allowed to implement their plans and control their own performance. This step of MBO utilizes every manager's expertise to benefit the organization and permits managers to continuously improve their skills.

The final step is to continuously provide feedback on performance and achievement of objectives. By periodically reviewing employees' performance goals can be modified or new goals can be set. This step complements the formal appraisal system.
because the continuous feedback throughout the year keeps individuals informed of their progress.

As with any other management style, the organization's culture must be conducive for MBO to work. Top management must be committed and involved in the MBO program for it to be beneficial. This management style is not without its problems. Managers often set their departmental goals and objectives too narrowly at the expense of the organization's strategic goals or objectives.

2.2.3.7 Employee empowerment

In recent years, the term empowerment has become part of everyday management. It has also been associated with popular management movements of the times such as human resource management (HRM) and total quality management (TQM). Employee empowerment is a style of management that puts managers in the role of coach, adviser, sponsor, or facilitator. Decision-making is being pushed down to the lowest levels of the organization. The way of work is designed and the ways organizations are structured are changing. (Adrian Wilkinson, 1998)

Empowerment involves delegating the decision-making authority regarding the action to be taken on a task that is considered to be important to both the manager and employee. The main reasons for implementing an empowerment program are to provide fast solutions to business problems; to provide growth opportunities for employees and; to lower organizational costs while allowing the manager to work on multiple projects.

Employee empowerment is the most effective when management has set clear obtainable goals and defined specific accountability standards. The success of employee empowerment relies on the ability of management to provide resources such as time and money; to provide support by way of legitimacy; and to provide relevant and factual information so employees can make educated decisions. Training employees to take responsibility and make sound decisions that are supported by upper management as well as lower level managers are other areas that are important to the success of empowerment programmes.
Employees benefit from empowerment because they have more responsibility in their jobs. Employee empowerment increases the level of employee involvement and therefore creates a deeper sense of satisfaction and higher levels of motivation. There are potential problems with empowerment programs that often result in unfavorable outcomes.

Many times, managers delegate trivial, unimportant and boring tasks to employees and they retain the complicated and important tasks for themselves. Empowerment will not work unless the authority and decision-making tasks are perceived as meaningful by the employee.

Another problem arises when managers not only assign meaningless tasks to their employees but also then expect the employee to continuously consult them for approval. Managers must evaluate their employees' skills and abilities and determine if the organization's culture can support an empowerment program before beginning.

2.2.3.8 Likert's theory of management

Under the general direction of Rensis Likert, the focus of the Michigan studies was to determine the principles and methods of leadership that led to productivity and job satisfaction. (Rensis Likert, 2011) The model was developed on the basis of a questionnaire administered to leaders in over 200 organizations and research into the performance characteristics of different types of organizations. The studies resulted in two general leadership behaviours or orientations: an employee orientation and a production orientation. Leaders with an employee orientation showed genuine concern for interpersonal relations. Those with a production orientation focused on the task or technical aspects of the job.

The conclusion of the Michigan studies was that an employee orientation and general instead of close supervision yielded better results. Likert eventually developed four-fold model of management systems. Based on these studies; he advocated four systems of management system or the four leadership styles identified:

(a) System 1 - Exploitative Authoritative:

Exploitative Authoritative is rooted in classical theory. In this system, managers tend to use threats, fear, and punishment to motivate their workers. Managers at the top of the hierarchy make all of the decisions and are usually unaware of the problems faced by those in the lower levels of the organization. Decisions are imposed on subordinates, and
motivation is characterized by threats. The orders issued from the top make up the goals for the organization. As a result, workers tend to be hostile toward organizational goals and may engage in behavior that is counter to those goals.

In this management system, responsibility lies in the hands of the people at the upper echelons of the hierarchy. The leader has no trust and confidence in subordinates. The decisions are imposed on subordinates and they do not feel free at all to discuss things about the job with their leader. The teamwork or communication is very little and the motivation is based on threats.

It can be said that this type of management system the job of employees/subordinates is to abide by the decisions made by leaders and those with a higher status than them in the organization. The subordinates do not participate in the decision making. The organization is concerned simply about completing the work. The organization will use fear and threats to make sure employees complete the work set. There is no teamwork involved.

(b) System 2 - Benevolent Authoritative:

This management system is less controlling than the exploitative authoritative system, under this system motivation is based on the potential for punishment and partially on rewards. The decision making is expanded by allowing lower-level employees to be involved in policy making but is limited by the framework given to them from upper-level management. Major policy decisions are still left to those at the top, who have some awareness of the problems that occur at lower levels. This creates mainly downward communication from supervisors to employees with little upward communication, causing subordinates to be somewhat suspicious of communication coming from the top. The managers at the top feel more responsibility towards organizational goals than those employees at the bottom, who feel very little responsibility. This contrast in feelings toward responsibility can result in a conflict and negative attitudes with the organization's goals. Subordinates in this system can become hostile towards each other because of the competition that is created between them. Satisfaction among workers is low to moderately-low and productivity is measured at fair to good.
In this management system, responsibility lies at the managerial levels but not at the lower levels of the organizational hierarchy. The leader has condescending confidence and trust in subordinates. Here again, the subordinates do not feel free to discuss things about the job with their leader. The teamwork or communication is very little and motivation is based on a system of rewards.

For this system, it can be defined as in an exploitive authoritative system, decisions are made by those at the top of the organization and management. However employees are motivated through rewards (for their contribution) rather than fear and threats. Information may flow from subordinates to managers but it is restricted to “what management wants to hear”.

(c) System 3 - Consultative

This management system is very closely related to the Human Relations theory. Motivation of workers is gained through rewards, occasional punishments, and very little involvement in making decisions and goals. Lower-level employees, in this system, have the freedom to make specific decisions that will affect their work. Upper-management still has control over policies and general decisions that affect an organization. Managers will talk to their subordinates about problems and action plans before they set organizational goals. Communication in this system flows both downward and upward, though upward is more limited. This promotes a more positive effect on employee relationships and allows them to be more cooperative. Lower-level employees are seen as consultants to decisions that were made and are more willing to accept them because of their involvement.

In this management system, responsibility is spread widely through the organizational hierarchy. The leader has substantial but not complete confidence in subordinates. Some amount of discussion about job related things takes place between the leader and subordinates. There is a fair amount of teamwork, and communication takes place vertically and horizontally. The motivation is based on rewards and involvement in the job.

It can be concluded that this type of management system, subordinates are motivated by rewards and a degree of involvement in the decision making process. Management will constructively use their subordinates ideas and opinions. However involvement is incomplete and major decisions are still made by senior management. There is
a greater flow of information (than in a benevolent authoritative system) from subordinates to management.

(d) System 4 – Participative group management

Likert argued that the participative system was the most effective form of management. This system coincides with Human Resources Theory. This system promotes genuine participation in making decisions and setting goals through free-flowing horizontal communication and tapping into the creativity and skills of workers. Managers are fully aware of the problems that go on in the lower-levels of the organization. All organizational goals are accepted by everyone because they were set through group participation. There is a high level of responsibility and accountability of the organizational goals in all of the employees. Managers motivate employees through a system that produces monetary awards and participation in goal setting. Satisfaction among employees is the highest out of the four systems as is production.

In this management system, responsibility for achieving the organizational goals is widespread throughout the organizational hierarchy. There is a high level of confidence that the leader has in his subordinates. There is a high level of teamwork, communication, and participation.

It can be said that in this system, management have complete confidence in their subordinates/employees. There is lots of communication and subordinates are fully involved in the decision making process. Subordinates comfortably express opinions and there is lots of teamwork. Teams are linked together by people, who are members of more than one team. Likert calls people in more than one group "linking pins". Employees throughout the organization feel responsible for achieving the organization's objectives. This responsibility is motivational especially as subordinates are offered economic rewards for achieving organizational goals which they have participated in setting.

Likert believes that if an organization is to achieve optimum effectiveness then the "ideal" system to adopt is Participative (system 4). According to Rensis Likert the best managers in business and government point to a much more effective system of management.

Low efficiency departments have supervisors who, being job centred, keep
workers busy through a prescribed work cycle at a satisfactory time rate. The job is reduced to component parts, with trained people to do them, and constant pressure to achieve output using all the resources available.

High efficiency departments have supervisors who, being people centred, focus on the human aspects and build effective work groups pursuing high achievement goals. The supervisors attempt to know employees as individuals. They give general rather than detailed supervision, with overall targets rather than prescribing methods. They accept maximum participation in decision making and see employees as capable of joining in the decision making processes.

Four systems of Likert's theory (2011) are shown in the following table.

TABLE 2.2
FOUR SYSTEMS OF LIKERT'S THEORY

<table>
<thead>
<tr>
<th>System 1: Exploitive authoritative</th>
<th>Management uses fear and threats; communication is top down with most decisions taken at the top; superiors and subordinates are distant.</th>
</tr>
</thead>
<tbody>
<tr>
<td>System 2: Benevolent authoritative</td>
<td>Management uses rewards; information flowing upward is restricted to what management wants to hear and whilst policy decisions come from the top some prescribed decisions may be delegated to lower levels, superiors expect subservience lower down.</td>
</tr>
<tr>
<td>System 3: Participative group management</td>
<td>Management encourage group participation and involvement in setting high performance goals with some economic rewards; communication flows in all directions and is open and frank with decision making through group processes with each group linked to others by persons who are members of more than one group called linking pins; and subordinates and superiors are close. The result is high productivity and better industrial relations.</td>
</tr>
</tbody>
</table>
On the basis of these four systems of Likert's theory, Likert administered a questionnaire to several employees belonging to different organizations and from different managerial positions. His studies confirmed that the departments or units employing management practices within Systems 1 and 2 were the lease productive and the departments or units employing management practices within Systems 4 (participative) was the most productive.

According to Rensis Likert, the nearer the behavioral characteristics of an organization approach System 4 (Participative), the more likely this will lead to long-term improvement in staff turnover and high productivity, low scrap, low costs, and high earnings. If an organization wants to achieve optimum effectiveness, then the ideal system. For more effectiveness of System 4: (Participative group management), Likert suggested the following seven principles of participative management system.

1. Leadership processes,
2. Motivational forces,
3. Communication process,
4. Interaction-influence process,
5. Decision-making process,
6. Goal-setting process, and
7. Controlling processes.

2.2.4 Likert's principles of participative management system

In the present study, the participative management system was based on the participative group management in the Likert's theory of management system. It refers to the participative management system which performs in physical education institutes in Thailand. Seven principles of management practice which makes more effectiveness of participative group management according to Likert's theory of management system are as follow:

2.2.4.1 Leadership process

Leadership is a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent. It can be said that leaders carry out the process whereby an individual influence a group of individuals to achieve a common goal by applying their leadership, knowledge and skills.
This is called Leadership Process. (Jago, 1982) Good leaders have to develop through a never ending process of self-study, education, training, and experience (Jago, 1982). Therefore, to inspire the workers into higher levels of teamwork for achieving goals, good leaders are required to improve their leadership process.

The leadership process is the ongoing relationship between leaders and followers to accomplish the organizational goals. Leadership is basically the influence of a leader in achieving shared goals through followers. (Sheri Cyprus, 2011)

Roger, K. Allen (2012) suggests five essential steps of Leadership Process as follow:

Step 1: Leadership Orientation and Commitment
Leadership orientation and commitment is normally a one to two-day orientation session in which key leaders from the organization learn about High Performance. In this session participants go through an organization simulation to experience the difference between traditional and High Performance work systems. As they learn and discuss principles of High Performance, they will learn about the transformation process, explore the level of trust within the organization, and identify change needs driving their organization.

Step 2: Assessment of the Business and Organization
The purpose of this step is to complete a comprehensive assessment of the organization, creating a common understanding of the current state of the work. Key leadership, with a cross-section of people from the organization, analyzes a job to learn how to use the Transformation Model as a framework for organization analysis. Then, applying the Transformation Model to their own organization, they systematically analyze seven key elements: current results; the work environment; the current strategy; current core processes, current structure; and coordination and development systems.

Following their analysis, they summarize key issues to address and identify organization strengths, weaknesses, and alignment issues. Armed with comprehensive assessment data, they can develop a list of change initiatives for improving the organization and moving toward High Performance. The assessment process can be modularized into half-day sessions spread over a nine to ten week period, or it can be accomplished more quickly in a single three-day session. This step often surfaces significant problems within the
organization, creating a sense of direction and momentum for needed changes. Every participant will come away from this dynamic session with a greater sense of responsibility, know-how, and enthusiasm for making the business succeed.

Step 3: Development of Strategy and Vision

In step three, key leaders develop and/or adjust the work strategy and direction of the organization. During this process they review their strategy and vision based on current work realities, refocusing and redefining their strategy to fit marketplace and competitive demands. Specifically they will accomplish the following during the process:

❖ Understand the demands of the current work environment;
❖ Forecast the future work situation
❖ Clarify a mission that motivates and inspires
❖ Identify the principles by which people will conduct themselves
❖ Define future customers and how they will deliver value to them
❖ Identify core competencies needed to succeed in the long run
❖ Create a long-term work focus and identify anchors that distinguish them from competitors
❖ Set short-term performance goals
❖ Identify performance initiatives and establish a master plan to implement the strategy

The strategy development process often requires several in-depth exploration and discussion sessions which may be accomplished over a period of weeks or months, depending on the size, motivation, and complexity of the organization. Clearly, the process must be tailored to the individual needs of each organization. It should be confident that senior leadership will emerge from the strategy development sessions being very clear about their strategy and united in their commitment to implement it throughout the organization.

Step 4: Charting the Change Process

During this step, senior leadership determines the need for organization redesign to address organization weaknesses and alignment issues identified during assessment. They create a design charter, outlining the expected outcomes and the scope and parameters of the redesign process. They assign resources, establish time frames, and
identify a design team to participate in and guide in-depth process analysis and redesign of the organization as necessary. They also determine the scope of the development process, identifying leadership training, employee orientation, team development, technical skills development, interpersonal skills development, and other projected training and development needs. These plans are factored in with strategic initiatives and change opportunities identified during strategy development and assessment to create an overall change plan. The charter is then shared with employees to communicate the need for change and explain how the transformation process will work throughout the organization.

**Step 5: Integrated Management of Business Performance.**

Management of work performance, especially in today's complex and rapidly changing environment, can be extremely challenging. Consequently, management behavior can be short-term and crisis-oriented. Managers and supervisors alike often react to demands which seem urgent, but may only be symptoms of deeper causes related to flawed processes or systems. A further problem is that work may be segmented into functional areas, promoting poor communication, turf battles, lack of problem ownership, and general inefficiency. In step five, Integrated Management of Business Performance, leaders develop a common plan and establish management processes to proactively manage the short and long-term performance of the business. One of the first tasks here is to help leaders begin to work as a team as they share responsibility for the overall management of the enterprise.

During assessment, the organization identified key results areas and current performance in those areas. During strategy development, the leaders identified ideal key results areas, how they will measure them, and what their goals are. Armed with this data, the leadership team outlines a process for how they will monitor, track, and integrate performance throughout the organization on an ongoing basis, including common initiatives, clear expectations, and consistent performance metrics. This may lead them into discussion or readjustment of recognition, reward, or performance management systems as well.

John F. Carter (2012) illustrates that there are three key processes in any kind of leadership situation: **vision, politics and management.** All three are necessary for effective leadership and where only one, or two are present there is always some deficiency.
Visions: A vision is a mental picture of the result to be achieved. If vision is so clear and strong, it will help to make the accomplish goals. A vision is not a vague wish or dream or hope. It's a picture of the real results of real efforts. It comes from the future and informs and energizes the present. Visioning is the most powerful tool for helping organizations and individuals get the results they want. The practice of using visions is main-stream. Some organizations use visions to communicate their values and goals, and improve performance. The following reasons show the powerful of vision:

- **A vision inspires action.** A powerful vision pulls in ideas, people and other resources. It creates the energy and will to make change happen. It inspires individuals and organizations to commit, to persist and to give their best.

- **A vision is a practical guide** for creating plans, setting goals and objectives, making decisions, and coordinating and evaluating the work on any project, large or small.

- **A vision helps keep organizations and groups focused and together,** especially with complex projects and in stressful times.

Therefore, the characteristics of a good vision should be as follow:

- Clear, sharp and so detailed
- Positive and big enough
- Include changes in attitude
- Include a clear picture of personal role
- Come from the heart, not the head

**Politics:** Politics in this sense is the process of including others, developing consensus, reaching agreements, building teams, making friends and energizing cooperation, and fostering loyalty.

**Management:** The final process in the trilogy of essential leadership processes, is management. Management is the ability to make things happen, to plan, to organize and to effectively employ resources.

Carter summarizes that without vision - no goals, without politics - no opportunity, and without management - no progress.
2.2.4.2 Motivational forces

Motivation is defined as the process that initiates, guides and maintains goal-oriented behaviours. Motivation is to give reason, incentive, enthusiasm, or interest that causes a specific action or certain behavior. Motivation is present in every life function. Simple acts such as eating are motivated by hunger. Education is motivated by desire for knowledge.

Motivation is an important and vital aspect in functioning of every organization. It refers to the forces that arouse enthusiasm and persistence to pursue a certain course of action for accomplishing organization goals.

Motivation is divided into two main kinds: intrinsic and extrinsic, that stimulate desire and energy in people to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal.

❖ Intrinsic motivations are those that arise from internal of individual, such as doing a complicated cross-word puzzle purely for the personal gratification of solving a problem. Achievement, advancement, recognition, growth, responsibility, and job nature are internal motivators. It occurs when people are compelled to do something out of pleasure, importance, or desire.

❖ Extrinsic motivations are those that arise from outside of the individual and often involve rewards such as trophies, money, social recognition or praise. Therefore, salary, benefits, working conditions, supervision, policy, safety, security, affiliation, and relationships are all externally motivated needs. Extrinsic motivation occurs when external factors compel the person to do something.

The motivational force is the ultimate goal of character wishes to achieve. The motivational force provides the character with the appropriate amount of purpose and reason to pursue the primary goal with the variety of actions and dialogue. Motivational force is a function of both valence and expectancy. One without the other will not produce motivation. Motivational force is increasingly recognized that employee's motivation or engagement is an important contributor to performance. (Prior Aphter, 2012)
Richard Lavoie (2011) defines the characteristics of motivational forces as follow:

❖ Gregariousness: This person loves being in a crowd. Gregariousness can manifest itself positively (popularity, friendliness) or negatively (joining gangs, challenging authority).

❖ Status: This person's self-esteem is very dependent on the opinions of others. He is eager to please and worries about upsetting other people.

❖ Autonomy: The autonomous person thrives on working independently...kind of the opposite to the person motivated by gregariousness. The person motivated by autonomy is inspired to work on solitary projects and making decisions -and then making those decisions work.

❖ Inquisitiveness: This person is motivated by the need to learn and know - and this need is not limited to his own area of expertise.

❖ Aggression: Although it sounds like it, a person's need for aggression is not necessarily negative or disruptive. Aggression may be used in a positive way...these are the people who are willing to confront injustice and unfairness and may do so in appropriate ways such as debating, political activism, etc.

❖ Power: This person is motivated by control and influence and he will relish responsibility and authority.

❖ Recognition: People who are motivated by this force thrive on a genuine need to be acknowledged for their accomplishments and efforts.

❖ Affiliation: This person is motivated by a strong desire to be connected with organizations, institutions and movements...and he gathers strengths from his affiliations.

Mihaly Csikszentmihalyi (1992) mentioned that the "force" describes those times when people report feelings of concentration and of deep involvement or a genuinely enjoyable state of consciousness. Goals, feedback, and challenges are the three elements of the motivation force.

People who feel the force set appropriate goals and closely monitor feedback and results. When they reach their goal, they set new challenges for themselves.
❖ **Force goals:** People need a goal to give meaning to the endeavour. The goal transforms the work activities necessary to achieve the goal into new and challenging experiences. To experience the force in a situation, the first thing one must do is put a goal at the end of achievement target. The goal, however, must be one which people can reasonably expect to reach. To comply with the force formula, goal must be appropriate. One must set realistic and achievable goals. The strength of motivation depends, in large part, on success in making progress toward goal. It is highly unlikely that one will make meaningful progress toward a goal that is extremely difficult to achieve.

❖ **Feedback:** The next element in the force formula is feedback. Feedback is critical to motivation. Probably more than anything else, positive feedback indicates that people are moving toward goal. This makes the success journey more enjoyable.

❖ **Challenges:** The final element of the force formula is setting increasingly complex challenges for oneself. When people reach a goal, they must rechallenge themselves. A general principle of the force is that any activity can become enjoyable if the person takes control of it and cultivate the activity in the direction of greater challenge.

### 2.2.4.3 Communication process

Communication process is the activity of conveying information through the exchange of thoughts, messages, or information, as by speech, visuals, signals, writing, or behaviour. Communication process requires a sender, a message, and a recipient, although the receiver need not be present or aware of the sender's intent to communicate at the time of communication; thus communication can occur across vast distances in time and space. Communication requires that the communicating parties share an area of communicative commonality. The communication process is complete once the receiver has understood the message of the sender. A variety of verbal and non-verbal means of communicating exists such as body language, eye contact, sign language, haptic communication, chronemics, and media such as pictures, graphics, sound, and writing. (Wikipedia, 2009)

Shannon, C. E. A (1948) breaks the process of communication down into eight discrete components:

❖ **Information source:** Presumably a person who creates a message.
❖ **Message:** Message is both sent by the information source and received by the destination.

❖ **Transmitter:** For Shannon’s immediate purpose a telephone instrument that captures an audio signal, converts it into an electronic signal, and amplifies it for transmission through the telephone network. Transmission is readily generalized within Shannon’s information theory to encompass a wide range of transmitters. The simplest transmission system that associated with face-to-face communication has at least two layers of transmission. The first, the mouth (sound) and body (gesture), create and modulate a signal. The second layer, which might also be described as a channel, is built of the air (sound) and light (gesture) that enable the transmission of those signals from one person to another. A television broadcast would obviously include many more layers, with the addition of cameras and microphones, editing and filtering systems, a national signal distribution network (often satellite), and a local radio wave broadcast antenna.

❖ **Signal:** There may be multiple parallel signals, as is the case in face-to-face interaction where sound and gesture involve different signal systems that depend on different channels and modes of transmission. There may be multiple serial signals, with sound and/or gesture turned into electronic signals, radio waves, or words and pictures in a book.

❖ **Carrier or channel:** This is , which is represented by the small unlabeled box in the middle of the model. The most commonly used channels include air, light, electricity, radio waves, paper, and postal systems. Note that there may be multiple channels associated with the multiple layers of transmission, as described above.

❖ **Noise:** Noise in the form of secondary signals that obscure or confuse the signal carried. Given Shannon’s focus on telephone transmission, carriers, and reception, it should not be surprising that noise is restricted to noise that obscures or obliterates some portion of the signal within the channel. This is a fairly restrictive notion of noise, by current standards, and a somewhat misleading one. Today we have at least some media which are so noise free that compressed signals are constructed with an absolutely minimal amount of information and little likelihood of signal loss. In the process, Shannon’s solution to noise, redundancy, has been largely replaced by a minimally redundant solution: error detection.
and correction. Today we use noise more as a metaphor for problems associated with effective listening.

Receiver: In Shannon's conception can be defined as the receiving telephone instrument, face to face communication a set of ears (sound) and eyes (gesture), television, several layers of receiver, including an antenna and a television set.

Destination: Presumably a person who consumes and processes the message.

Like all models, this is a minimalist abstraction of the reality it attempts to reproduce. The reality of most communication systems is more complex. Most information sources (and destinations) act as both sources and destinations. Transmitters, receivers, channels, signals, and even messages are often layered both serially and in parallel such that there are multiple signals transmitted and received, even when they are converged into a common signal stream and a common channel. Many other elaborations can be readily described. It remains, however, that Shannon's model is a useful abstraction that identifies the most important components of communication.

Business Dictionary (2011) defines communication as the two-way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information but also create and share meaning. Communication process is the sharing of meaningful information between two or more people with the goal of the receiver understanding the sender's intended message. In participative management system, the effectiveness of an organization's internal and external communication process is often very important to its overall success.

Three factors that can influence effective or ineffective communication are encoding, decoding and noise.

❖ Encoding takes place when the sender translates the information to be transmitted into a series of symbols. Encoding is necessary because information can only be transferred from one person to another through representations or symbols. Since communication is the object of encoding the sender attempts to establish 'mutuality' of meaning with the receiver by choosing symbols, usually in the form of words and gestures.
that the sender believes to have the same meaning for the receiver. Lack of mutuality is one of the most common causes of misunderstandings or failure of communication.

- Decoding is the process by which the receiver interprets the message and translates it into meaningful information. It is a two step process. The receiver must first perceive the message then interpret it. Decoding is affected by the receiver's past experience, personal assessment of the symbols and gestures used, expectations (people tend to hear what they want to hear) and mutuality of meaning with the sender. In general, the more the receiver's decoding matches the sender's intended message, the more effective the communication has been.

- Noise is any factor that disturbs, confuses or otherwise interferes with communication. Noise can arise along what is called the communications channel or method of transmission (such as air for spoken words or paper for letters). Noise may be internal (as when a receiver is not paying attention) or external (as when the message is distorted by other sounds in the environment). Noise can occur at any stage of the communication process. It is particularly troublesome in the encoding or decoding stage.

Richard Nordquist (2012)48 states that communication is the process of sharing thoughts, ideas and emotions with others. The communication process is the exchange of information (a message) between two or more people. These are seven key elements of communication process:

- Sender or communicator (the person who initiates a message)
- Receiver or interpreter (the person to whom a message is directed)
- Message (the verbal and/or nonverbal content that must be encoded by the sender and decoded by the receiver)
- Medium by which the message is delivered and received
- Context (the setting and situation in which communication takes place)
- Noise (anything that interferes with the accurate expression or reception of a message)
- Feedback (a response from the receiver indicating whether a message has been received in its intended form)
Effective communication takes place when a sender's message is fully understood by the receiver.

According to Management Study Guide (2012), communication is a process of exchanging verbal and non-verbal messages. It is a continuous process. Pre-requisite of communication is a message. This message must be conveyed through some medium to the recipient. It is essential that this message must be understood by the recipient in the same terms as intended by the sender. He must respond within a time frame. Thus, communication is a two-way process and is incomplete without a feedback from the recipient to the sender on how well the message is understood by him.

The main components of communication process are as follows:

- **Context** - Communication is affected by the context in which it takes place. This context may be physical, social, chronological or cultural. Every communication proceeds with context. The sender chooses the message to communicate within a context.

- **Sender / Encoder** - Sender / Encoder is a person who sends the message. A sender makes use of symbols (words or graphic or visual aids) to convey the message and produce the required response. Sender may be an individual or a group or an organization. The views, background, approach, skills, competencies, and knowledge of the sender have a great impact on the message. The verbal and non-verbal symbols chosen are essential in ascertaining interpretation of the message by the recipient in the same terms as intended by the sender.

- **Message** - Message is a key idea that the sender wants to communicate. It is a sign that elicits the response of recipient. Communication process begins with deciding about the message to be conveyed. It must be ensured that the main objective of the message is clear.

- **Medium** - Medium is a means used to exchange / transmit the message. The sender must choose an appropriate medium for transmitting the message else the message might not be conveyed to the desired recipients. The choice of appropriate medium of communication is essential for making the message effective and correctly interpreted by the recipient. This choice of communication medium varies depending upon the features of communication. For instance - Written medium is chosen when a message has to be
conveyed to a small group of people, while an oral medium is chosen when spontaneous feedback is required from the recipient as misunderstandings are cleared then and there.

❖ Recipient / Decoder - Recipient / Decoder is a person for whom the message is intended / aimed / targeted. The degree to which the decoder understands the message is dependent upon various factors such as knowledge of recipient, their responsiveness to the message, and the reliance of encoder on decoder.

❖ Feedback - Feedback is the main component of communication process as it permits the sender to analyze the efficacy of the message. It helps the sender in confirming the correct interpretation of message by the decoder. Feedback may be verbal (through words) or non-verbal (in form of smiles, sighs, etc.). It may take written form also in form of memos, reports, etc.

Communication Process is a set of steps that are taken every time formal communications are undertaken in an organization. A Communications Process is undertaken as part of Communications Management and helps to ensure that the stakeholders are kept regularly informed. In an organization, the sender will be a person with information needs, or desires and a purpose for communicating them to one or more other people. The receiver is the person whose senses perceive the sender’s message. There may be a large number of receivers, as and when a memo is addressed to all the members of an organization, or there may be just one, as when one discusses something privately with a colleague. The message must be crafted with the receiver’s background in mind.

Effective communication generates the desired effect, maintains effect and increases effect. It serves the purpose for which it was planned or designed. Possible purposes might be to generate action, inform, create understanding or communicate a certain idea/point etc. Effective communication also ensures that the message is not distorted during the communication process. Here are some other things that help communication to be effective:

❖ Attention: The sender needs to pay attention to what he/she is trying to communicate, and choose the best words and body language to communicate with; the receiver needs to pay attention to what is being communicated by listening and watching.
❖ **Attitude:** Both sender and receiver need to have a positive (and respectful) attitude. They should want to communicate, and be willing to work to see that communication can take place. Using negative or blaming words shows a poor attitude - using "I" messages and trying to understand the other's point shows a good attitude.

❖ **Feedback:** Both sender and receiver can give feedback to each other, either by using words or by body language. This helps to show whether the communication is being understood correctly or not.

There are also many things that can hinder or prevent good communication. Here are some of the most common barriers:

❖ **Distraction:** It is hard to understand if anyone is distracted by something else. When anyone is trying to communicate, make sure there is no competition for attention like exciting things going on nearby or other people talking (cell phones, IMs, chat rooms, email, etc.)

❖ **Blocks:** Sometimes it's hard to communicate simply because one cannot send or receive the message. Loud noises can block communication, and so can things like lost phone signals and computers not being able to interface.

❖ **Poor Skills:** Some people have not learned how to effectively listen, and do not understand what they are trying to communicate.

❖ **Attitude:** Communication can also be affected by a poor attitude towards the other person, towards the subject, or just because the sender or receiver is having a bad day. Fear and mistrust can impede communication, as can boredom or lack of interest in the subject. For best communication, try to keep the emotions out of the way until understand what is being communicated.

❖ **Poor Understanding:** Sometimes the sender uses words that the receiver does not understand, or refers to cultural experiences that the receiver has not grown up with, so that communication is less effective. Try to use simple words when communicating something are complicated, and make sure that both understand the context or cultural references.
❖ Lack of Feedback: If the receiver does not give feedback, the sender does not know if the communication is effective or not; also, if the sender is not paying attention to the feedback, the communication will not be effective.

❖ Overload Message: Overload message is also the barriers for successful of communication (when a person receives too many messages at the same time), and message complexity.

❖ Lack of Determining: There also can be a lack of determining "knowledge-appropriate" communication, as when someone uses ambiguous legal words, or medical jargon, when speaking with another person that lacks understanding in these areas. Effective communication can be achieved only when the words used are brought to a common level of understanding for both parties.

2.2.4.4 Interaction influence process

Interaction-influence process is the activity of being with and talking to other people, and the way that people react to each other. It also includes the process by which different things interact with each other such as an organism and its environment (Macmillan Dictionary, 2011).  

In order to increase the degree of participative management system, Angela Owens and Sonja Tansey (2005) suggest that six components are required.

❖ Positive staff interactions: Positive interaction between staff is essential in creating an environment and atmosphere in which the staff feels emotionally safe, secure and happy. It is in this environment that the staff is able to develop positive relationships and attachments with staff. Staff who is sensitive, respectful, courteous and patient with each other will create an atmosphere that is relaxed and happy. When staff use calm and friendly voices and support one another in their work, they also contribute to creating a positive environment at the service. It is in this environment that staff is encouraged to feel safe in communicating their needs and wants, to develop relationships with staff and to explore their environment. Staff’s emotional wellbeing and their ability to explore and play hinges on the attachments they develop with staff. “Secure, trusting relationships provide the staff with the foundation for their successful exploration of the
social environment. Staff members who communicate effectively and demonstrate respect and trust for each other are also role models for developing effective inclusive relationships.

- Communication skills: An important element of effective participative management in teamwork is the ability of staff to empathize with and support their colleagues. An effective team can actively work together to reflect on and improve their interactions and relationships with others. Staff should discuss issues together and make decisions about the way they communicate after listening to each other. By openly reflecting on and discussing the way in which communicate with staff, areas for further self reflection or improvement can be identified. Communication breakdown and misunderstandings amongst staff may be shown in different ways. Communication between staff that becomes difficult or negative can have a flow on effect to any area of the service operations. Issues with communication or conflict can result in misunderstandings about the work. Encouraging and enhancing positive communication between staff is the key to building effective teamwork, minimizing poor communication and avoiding conflict. This can be achieved through the development of open, honest and supportive team communication. Conflict will also be minimized through sharing skills and knowledge with colleagues and through acknowledging the efforts and achievements of each other. The staff must be able to communicate well with each other and develop good working relationships. They must be able to pool their ideas, resolve differences of opinion and conflicts and work out strategies for approaching their work. Opportunities should be available for staff to meet regularly to openly discuss issues, develop common goals, solve problems and make joint decisions about the operations of the service. This will enable staff to reflect upon, plan for and improve practice. Staff teams can also encourage individual members to continually reflect on and evaluate their own practice, and to consider their role in participating actively and equitably as a team member. Policies and procedures that are consistently implemented are also central to supporting communication, avoiding conflict and solving problems. Clear policies and procedures for team communication, handling complaints and grievances, professional development,
performance appraisal, and occupational health and safety will provide clear
guidance and support to staff on service commitments and expectations in these
areas.

Environmental considerations are also a factor when considering
supporting staff communication. These include staff working conditions, access
to training and resources, and facilities such as staff rooms and meeting areas.
These factors underpin staff capacity and willingness to engage in developing a
strong team culture that is characterized by open, supportive, positive
communication.

❖ Co-operation among staff: When staff works together for common goals,
their behaviour is called co-operation. One form which co-operation takes is called labour in
common when common labour is carried on merely for the pleasure of working together, it is
referred to as companionable. While on the other hand there is a real advantage in having
assistance at a task, as in getting a car out of the mud, the mode of co-operation is
designated supplementary labour. Finally there is integration of differentiated labours. This
exists when individuals work towards a common end but each has his own specializes
function to perform.

❖ Accommodation: This aspect of interaction follows from conflict.
Accommodation is the term used to describe the adjustment of hostile individuals or groups.
There are several form of accommodation, like victory, subordination, compromise, toleration,
conciliation, conversion etc.

❖ Assimilation: An important as part of interaction, assimilation is the process
where by individuals or groups once dissimilar become similar; that is become identified in
their interests and outlook. It is a process of interpenetration and fusion in which persons and
groups acquire the memories, sentiments and attitudes of other persons or groups, by
sharing their experiences and history, are incorporated with them in a cultural life. A common
but mistaken notion about assimilation is that it is a one way process. Close contact of staff of
dissimilar cultures always results in mutual interpenetration and fusion of culture traits. Further
some assimilation probably occurs in all lasting interpersonal situations. Again assimilation is
often incomplete and creates adjustment problems for individuals.
Culture and social Interaction: Culture also has a deep impact on interaction. It may be said that culture determines both the direction and the development of cooperation and competition. The culture stipulates the goal for which individual will strive. It indicates whether these goals will be approached competitively or cooperatively. The interaction in human society, then do not operate naturally as they do among animals, but are subject to a number of pressure and controls. Since these cultures vary from culture to culture, the competitive and cooperative behaviour of individuals differ in different societies. The individual with whom one may or may not compete or cooperate are also indicated by social heritage. Finally, the form which the basic social processes take in a particular society is also affected by the culture.

For effective interaction influence process, Roslyn Frenz (2011)\textsuperscript{52} describes that there are seven factors should be considered.

- Effective nonverbal communication skills: It's important to understand the various levels of communication. People often think of communication as talking and writing, but body language is another form of communication. Smiles and inviting gestures show a positive attitude toward the people who communicate with.

- Rephrase what others say: When having a conversation, listen to what others are saying, then rephrase and repeat back their important points.

- Refrain from interrupting: When having conversations with others, interruptions in the workplace are not acceptable. If colleagues pose a problem, interrupting idea will be frustrating to them.

- Avoid confusing negative questions: Avoid asking negative questions that can't be answered. Instead, rephrase so that the questions sound and look like questions will minimizes confusion and makes conversation go much quicker. Using appropriate language, asking appropriate questions and encourage feedback are also the factors which contribute the effective interaction process.

- Use clear, concise, relevant and harmless language: Be sensitive to the fact that everyone has different levels of knowledge and areas of expertise. When explaining something to staff, avoid tech-speak, jargon and potentially confusing acronyms.
❖ Trust on staff and make them relevant: Interaction process should mirror the realities of the job. It is necessary to give trust to the staff and gives them opportunity to safely make mistakes without looking stupid or incurring consequences.

❖ Be creative: It is possible to make interactions carry a visual punch by making small changes to traditional and familiar templates.

2.2.4.5 Decision making process

Decision-making can be defined as the action of carrying out or carrying into effect. It involves the selection of a course of action from among two or more possible alternatives in order to arrive at a solution for a given problem. (Oxford Dictionary, 2011)53

Decision-making is one of the defining characteristics of leadership. Decision-making is an essential aspect and primary function of modern management. It is the key part of manager's activities. Decisions are important as they determine both managerial and organizational actions. A decision may be defined as "a course of action which is consciously chosen from among a set of alternatives to achieve a desired result." It represents a well-balanced judgment and a commitment to action. It is rightly to say that the first important function of management is to take decisions on problems and situations. Decision-making pervades all managerial actions. It is a continuous process. Decision-making is an indispensable component of the management process itself.

Means and ends are linked together through decision-making. To decide means to come to some definite conclusion for follow-up action. Decision is a choice from among a set of alternatives or a choice between two or more alternative. The word 'decision' is derived from the Latin words de ciso which means 'a cutting away or a cutting off or in a practical sense' to come to a conclusion. Decisions are made to achieve goals through suitable follow-up actions. Decision-making is a process by which a decision (course of action) is taken. Decision-making lies embedded in the process of management. Therefore, whatever a manager does, he does through decision-making. A manager has to take a decision before acting or before preparing a plan for execution. Moreover, his ability is very often judged by the quality of decisions he takes. (Peter Drucker, 1954)54

This clearly suggests that decision-making is necessary in planning, organizing, directing, controlling and staffing. The effectiveness of management depends on the quality
of decision-making. In this sense, management is rightly described as decision-making process. According to Davis, R.C. (1951), decision-making is an intellectual process which involves selection of one course of action out of many alternatives. Decision-making will be followed by second function of management called planning. The other elements which follow planning are many such as organizing, directing, coordinating, controlling and motivating.

As organizations grow in size and complexity, the need for co-operation has more increases proportionately. It is difficult for leaders to take the best decisions when they are not fully aware of the various factors and the views of others. If leaders realize that their subordinates possess valuable and useful information, they will very probably adopt the participative management style in which better decisions can be reached through group discussion with specialists.

In Likert’s opinion (1961), “better results are obtained when an organization uses its manpower as members of... effectively-functioning work groups with high performance goals than when its members are supervised on an individual basis”.

Bennis, quoted by Smith (1969), says that professionally-dominated organizations must shift from the individual to co-operative effort, from delegated to shared responsibility, from centralized to decentralized authority, from obedience to confidence, from antagonistic arbitration to problem-solving and groups will be conducted on organic rather than mechanical models.

The advocates of the participative management claim several advantages for group-decision-making; for example:

a. It allows all group members to air their views, thereby stimulating original and creative ideas.

b. The decisions are of a higher quality since the group includes specialists in different fields.

c. The decisions are more readily accepted by the group, since they were worked out by the group itself with a common objective in view.

d. Mediocre ideas can be weeded out and suggestions and criticism used to help correct mistakes.

e. Collective sharing of rewards for good work, in which co-operation
replaces competition.

f. It provides staff with opportunities for professional growth, encourages individuals to develop the capacity to take decisions and so on.

In addition to these advantages, well-integrated groups make for a feeling of esprit de corps. Likert (1961)\textsuperscript{58} stresses the fact that freedom for groups to set their own work pace produces a high degree of professional commitment, so long as there is a great deal of interaction between the individual, his colleagues, and his superior. He states that "the individual must be part of an active social system where there is frequent contact and interaction. This interaction motivates the individual".

This is why participative management requires a 'linking pin' function whereby the group's attitudes are represented and communicated in both directions within the hierarchy. This 'link pin' assumes a leadership role and helps to create an atmosphere of co-operation among group members, prompting them to interact with one another and with other groups.

Likert describes that leader fully reflects and effectively represents the views, goals, values and decisions of his group in those other groups where he is performing the function of linking his group to the rest of the organization. He brings to the group of which he is the leader the views, goals and decisions of those other groups. However, it is worth while noting that the qualities essential to leadership in participative management are quite different from those required in a bureaucracy; the leader, instead of taking decisions for his or her subordinates, expresses and communicates one group's view to the other.

Participative management calls for a change in the manager's style and personality and for greater dynamism on the part of staff. In an atmosphere that is conducive to dialogue and democratic participation new leaders will emerge naturally. Attempts to introduce participative management in organizations in which the bureaucratic style of management is firmly established usually have to face a series of problems.

Therefore, participative management has been considered as an alternative method of administration in which the central authority, characteristic of bureaucratic organizations, is replaced by staff involvement in decision-making. Management in which power and authority are vested in a single individual no longer has a place. Workers who enjoy sufficient freedom of action and are willing to collaborate should work together and
Characteristics of Decision Making

Peter Drucker (1954) has identified the characteristics of decision-making as follow:

(i) Decision making implies choice: Decision making is choosing from among two or more alternative courses of action. Thus, it is the process of selection of one solution out of many available. Managers have to consider these alternatives and select the best one for actual execution. Here, planners/decision-makers have to consider the work environment available and select the promising alternative plan to deal with the problem effectively. It is rightly to say that "Decision-making is fundamentally choosing between the alternatives". In decision-making, various alternatives are to be considered critically and the best one is to be selected. The alternative selected may be correct or may not be correct. This will be decided in the future, as per the results available from the decision already taken. In short, decision-making is fundamentally a process of choosing between the alternatives (two or more) available.

(ii) Continuous activity/process: Decision-making is a continuous and dynamic process. It pervades all organizational activity. Managers have to take decisions on various policy and administrative matters. It is a never ending activity in business management.

(iii) Mental/intellectual activity: Decision-making is a mental as well as intellectual activity/process and requires knowledge, skills, experience and maturity on the part of decision-maker. It is essentially a human activity.

(iv) Based on reliable information/feedback: Good decisions are always based on reliable information. The quality of decision-making at all levels of the organization can be improved with the support of an effective and efficient management information system (MIS).

(v) Goal oriented process: Decision-making aims at providing a solution to a given problem/difficulty before a business enterprise. It is a goal-oriented process and provides solutions to problems faced by a business unit.

(vi) Means and not the end: Decision-making is a means for solving a problem or for achieving a target/objective and not the end in itself.
(vii) Relates to specific problem: Decision-making is not identical with problem solving but it has its roots in a problem itself.

(viii) Time-consuming activity: Decision-making is a time-consuming activity as various aspects need careful consideration before taking final decision. For decision makers, various steps are required to be completed. This makes decision-making a time consuming activity.

(ix) Needs effective communication: Decision-taken needs to be communicated to all concerned parties for suitable follow-up actions. Decisions taken will remain on paper if they are not communicated to concerned persons. Following actions will not be possible in the absence of effective communication.

(x) Pervasive process: Decision-making process is all pervasive. This means managers working at all levels have to take decisions on matters within their jurisdiction.

(xi) Responsible job: Decision-making is a responsible job as wrong decisions prove to be too costly to the organization. Decision-makers should be matured, experienced, knowledgeable and rational in their approach. Decision-making need not be treated as routing and casual activity. It is a delicate and responsible job.

Steps involved in decision making process

Decision-making involves a number of steps which need to be taken in a logical manner. This is treated as a rational or scientific 'decision-making process' which is lengthy and time consuming. Such lengthy process needs to be followed in order to take rational/scientific/result oriented decisions. Decision-making process prescribes some rules and guidelines as to how a decision should be taken / made. This involves many steps logically arranged. It was Peter Drucker (1954) who first strongly advocated the scientific method of decision-making in his world famous book 'The Practice of Management'. Drucker recommended the scientific method of decision-making which, according to him, involves the following six steps:

❖ Defining / Identifying the managerial problem,
❖ Analyzing the problem,
❖ Developing alternative solutions,
❖ Selecting the best solution out of the available alternatives,
❖ Converting the decision into action, and
❖ Ensuring feedback for follow-up.

The figure given below suggests the steps in the decision-making process:

![Decision-making Process Diagram]

**FIGURE 2.7**

**STEPS IN DECISION MAKING PROCESS**

❖ Identifying the Problem: Identification of the real problem before a business enterprise is the first step in the process of decision-making. It is rightly said that a problem well-defined is a problem half-solved. Information relevant to the problem should be gathered so that critical analysis of the problem is possible. This is how the problem can be diagnosed. Clear distinction should be made between the problem and the symptoms which may cloud the real issue. In brief, the manager should search the 'critical factor' at work. It is the point at which the choice applies. Similarly, while diagnosing the real problem the manager should consider causes and find out whether they are controllable or uncontrollable.

❖ Analyzing the Problem: After defining the problem, the next step in the decision-making process is to analyze the problem in depth. This is necessary to classify the problem in order to know who must take the decision and who must be informed about the decision taken. Here, the following four factors should be kept in mind: futurity of the decision, the scope of its impact, number of qualitative considerations involved, and Uniqueness of the decision. After defining the problem and analyzing its nature, the next step is to obtain the relevant information/data about it. There is information flood in the business world due to new
developments in the field of information technology. All available information should be utilized fully for analysis of the problem. This brings clarity to all aspects of the problem.

❖ Developing Alternative Solutions: After the problem has been defined, diagnosed on the basis of relevant information, the manager has to determine available alternative courses of action that could be used to solve the problem at hand. Only realistic alternatives should be considered. It is equally important to take into account time and cost constraints and psychological barriers that will restrict that number of alternatives. If necessary, group participation techniques may be used while developing alternative solutions as depending on one solution is undesirable.

❖ Selecting the Best Solution: After preparing alternative solutions, the next step in the decision-making process is to select an alternative that seems to be most rational for solving the problem. The alternative thus selected must be communicated to those who are likely to be affected by it. Acceptance of the decision by group members is always desirable and useful for its effective implementation.

❖ Converting Decision into Action: After the selection of the best decision, the next step is to convert the selected decision into an effective action. Without such action, the decision will remain merely a declaration of good intentions. Here, the manager has to convert 'his decision into 'their decision' through his leadership. For this, the subordinates should be taken in confidence and they should be convinced about the correctness of the decision. Thereafter, the manager has to take follow-up steps for the execution of decision taken.

❖ Ensuring Feedback: Feedback is the last step in the decision-making process. Here, the manager has to make built-in arrangements to ensure feedback for continuously testing actual developments against the expectations. It is like checking the effectiveness of follow-up measures. Feedback is possible in the form of organized information, reports and personal observations. Feedback is necessary to decide whether the decision already taken should be continued or be modified in the light of changed conditions.

Advantages of Decision Making

(i) Decision making is the primary function of management: The functions of management starts only when the top-level management takes strategic decisions. Without
decisions, actions will not be possible and the resources will not be put to use. Thus
decision-making is the primary function of management.

(ii) Decision-making facilitates the entire management process: Decision-
making creates proper background for the first management activity called planning.
Planning gives concrete shape to broad decisions about business objectives taken by the
top-level management. In addition, decision-making is necessary while conducting other
management functions such as organizing, staffing, coordinating and communicating.

(iii) Decision-making is a continuous managerial function: Managers working
at all levels will have to take decisions as regards the functions assigned to them. Continuous
decision making is a must in the case of all managers/executives. Follow-up actions are not
possible unless decisions are taken.

(iv) Decision-making is essential to face new problems and challenges:
Decisions are required to be taken regularly as new problems, difficulties and challenges
develop before a business enterprise. This may be due to changes in the external
environment. New products may come in the market, new competitors may enter the market
and government policies may change. All this leads to change in the environment around the
business unit. Such change leads to new problems and new decisions are needed.

(v) Decision-making is a delicate and responsible job: Managers have to take
quick and correct decisions while discharging their duties. In fact, they are paid for their skill,
maturity and capacity of decision-making. Management activities are possible only when
suitable decisions are taken. Correct decisions provide opportunities of growth while wrong
decisions lead to loss and instability to an organization.

2.2.4.6 Goal setting process

Goal setting is a powerful way of motivating people, and of motivating oneself.
The value of goal setting is so well recognized that entire management systems, like
Management by Objectives, have goal setting basics incorporated within them. Goal setting
involves establishing Specific, Measurable, Achievable, Realistic and Time-targeted
suggests that it's an effective tool for making progress by ensuring that participants in a
group with a common goal are clearly aware of what is expected from them if objectives is to
achieved. On a personal level, setting goals helps people work towards their own objectives—most commonly with financial or career-based goals.

Goal setting theory was developed by Edwin A. Locke (1968)\textsuperscript{62}. His first article on goal setting theory was “Toward a Theory of Task Motivation and Incentives” which was published in 1968. This article laid the foundation for goal setting theory and established the positive relationship between clearly identified goals and performance. It is considered an "open" theory, so as new discoveries are made it is modified. Studies have shown that specific and high goals lead to a higher level of performance than easy or general goals. As long as the individual accepts the goal, has the ability to attain it, and does not have conflicting goals, there is a positive linear relationship between goal difficulty and task performance.

Goals are a form of motivation that set the standard for self-satisfaction with performance. Achieving the goal one has set for oneself is a measure of success. Being able to meet job challenges is a way one measures success in the workplace. "The key moderators of goal setting are feedback, which people need in order to track their progress; commitment to the goal, which is enhanced by self-efficacy and viewing the goal as important; task complexity, to the extent that task knowledge is harder to acquire on complex tasks; and situational constraints".

Business Dictionary (2011)\textsuperscript{63} defines goal setting as a motivational technique based on the concept that the practice of setting specific goals enhances performance, and that setting difficult goals results in higher performance than setting easier goals.

Susan Ward (2011)\textsuperscript{64} states that goal setting is the process of deciding and devising a plan to achieve the desire result. Goal setting is the act of declaring something which one wants to achieve, and putting some specific parameters around the end result. Goals have some fairly basic characteristics. They should have a timeline. They should assign responsibility to a specific person. They should be quantifiable and measurable. They should be linked to a strategy, even if is through a few layers of other goals. Most leaders agree that goal setting is important. It keeps people and a team focused, gives them direction, and lets them know what the priority is.
Locke and Latham (1981) published their seminal work, "Goal Setting and Task Performance." They suggested five principles of successful goal setting. The details are given as follows:

(i) Clarity: Clear goals are measurable and unambiguous. When a goal is clear and specific, with a definite time set for completion, there is less misunderstanding about what behaviors will be rewarded.

(ii) Challenge: One of the most important characteristics of goals is the level of challenge. People are often motivated by achievement, and they'll judge a goal based on the significance of the anticipated accomplishment. Setting SMART goals that are relevant links them closely to the rewards given for achieving challenging goals. Relevant goals will further the aims of organization, and these are the kinds of goals that most employers will be happy to reward. In order for setting goals, it should make each goal a challenge. The need for success and achievement is strong, therefore people are best motivated by challenging, but realistic, goals. Ensuring that goals are Achievable or Attainable is one of the elements of SMART.

(iii) Commitment: Goals must be understood and agreed upon if they are to be effective. Employees are more likely to "buy into" a goal if they feel they were part of creating that goal. The notion of participative management rests on this idea of involving employees in setting goals and making decisions.

(iv) Feedback: In addition to selecting the right type of goal, an effective goal program must also include feedback. Feedback provides opportunities to clarify expectations, adjust goal difficulty, and gain recognition. It's important to provide benchmark opportunities or targets, so individuals can determine for themselves how they're doing. SMART goals are measurable, and this ensures that clear feedback can be provided.

(v) Task Complexity: The last factor in goal setting theory introduces two more requirements for success. For goals or assignments that are highly complex, take special care to ensure that the work doesn't become too overwhelming. People who work in complicated and demanding roles probably have a high level of motivation already. However, they can often push themselves too hard if measures aren't built into the goal expectations to account for the complexity of the task. It's therefore important to do the following:
- Give the person sufficient time to meet the goal or improve performance.
- Provide enough time for the person to practice or learn what is expected and required for success.

There are various aspects of goal setting. Goal setting is a powerful process for thinking about the ideal future, and for motivating oneself to turn vision into reality. Goal setting is used by top-level athletes, successful business-people and achievers in all fields. Setting goals gives long-term vision and short-term motivation. It focuses one's acquisition of knowledge, and helps to organize time and resources so that one can make the very most of life. By setting sharp, clearly defined goals, one can measure and take pride in the achievement of those goals, and see forward progress in what might previously have seemed a long pointless grind. Goldstein (1994) states that goals provide sense of direction and purpose. Goal setting capitalize on the human brain's amazing powers. Our brains are problem-solving, goal-achieving machines. Goals convert the strategic objectives into specific performance targets. Effective goals clearly state what, when, and who and are specifically measurable. Effective goal setting can be used as the roadmap. It provides long term vision and short term motivation. A goal is a statement of an end result achieved in a specified period of time at a specific level of quality. It gives well-defined target, clarity, direction, motivation and focus. SMART goal gives definition of expected accomplishments within the specific time period, and clear picture of time requirement for each element.

2.2.4.7 Controlling process

Control is one of the major management functions. It is the process of monitoring activities in such a way so that the organizational objectives can be accomplished. Whether a manager or leader, effective control and monitoring are necessary components for achieving success. Many a times the problems faced in achieving the organizational goals emerge because of some deviations from the set standards, or in other words because of the failure to control the process from moving in the stated direction.

Control can be defined as a process which ensures that the progress of the assigned work is according to the plan. If there is any deviation the concerned manager has to take corrective actions. So control mechanism adjusts operations to pre-determined
standards on the basis of the information or feedback it gets. Control is associated with planning and has been accepted as a basic managerial function to ensure the pace of an activity and its quality. It monitors the outcome of activities, review feedback information about this outcome and if necessary, to take corrective action. (Terry, G.R. and Franklin, S.G., 1995)⁶⁷

Stratford Business School (2011)⁶⁸ defines that control means to guide something in the direction it is intended to go. Controlling is the process of ensuring that actual activities conform to the planned activities.

Controlling process can be classified into four types as follow:

(1) Pre-action controls: These are preventive measures aimed to check problems before their emergence. They are also known as pre-controls. Financial budgets and schedules are forms of pre-action control.

(2) Feed-forward control (also called Preliminary control): In this system problems or deviations are anticipated before the operation of the task starts. Hence it has a close relationship with planning. In this control mechanism, managers identify the issues and the prospective action plans to meet the anticipated problems. Feed-forward control is essentially to alert managers about the probable hurdles that may affect the accomplishment of predetermined targets.

(3) Concurrent control (also known as Steering control): This is an approach to control the work while it is being performed. Concurrent control system ensures the accomplishment of work according to a laid down plan and takes necessary corrective steps before any major damage is done or in case there are deviations. For the effectiveness of steering control a manager must obtain the information on time and it should be accurate. Generally, steering control methods are most widely used because they provide tools for corrective action while the work is in progress.

(4) Feedback control (also called Post action control): After the completion of a task, review is made to see whether the desired result has been achieved or not. Feedback control provides information about whether the goals of the organization are met or not. This
information can be used for deciding the future action plan of an organization. It is often used as a basis for evaluating and rewarding employees also.

The controlling process involves carefully collecting information about a system, process, person, or group of people in order to make necessary decisions about each. Robert, J. Mockler. (1972) mentions four steps of controlling process as follow:

The first step in any control process is establishing standards. Standard is a desired or expected event which should grow out of organizational objectives. Standard may be defined as a unit of measurement which can be used to evaluate performance. Actually with the setting of standards the process of control begins. Standards may be both quantitative and qualitative. Three common types of standards are:

❖ Physical standards which include quantity of product, number of customers, clients, quality of the product, etc.
❖ Monetary standards which include selling costs, material costs, gross profit, net profit, etc.
❖ Time standards refer to the speed and deadline within which the job is to be performed or completed.

After setting the standard the second step is the measuring or monitoring of performance. It is a continuous ongoing process done with the help of an appropriate mechanism. Systematic flow of information is necessary to keep effective control over performance and this necessitates timely availability of accurate reports. For this, it is necessary to design simple reporting systems as per the requirement of the activity. This will help the manager in detecting problems and accordingly make amends to work as per the plan.

Next step in the control process is to compare the performance that the managers have been monitoring with the standards established at the first stage. Davis, R.C. (1951) identifies four phases in the comparison; (i) receiving the raw data, (ii) accumulation, classification and recording of this information, (iii) periodic evaluation of completed action, and (iv) reporting the status of accomplishment to higher line of authority. If it is found that the performance matches the standards, the manager can conclude that every thing is in control but if the results are otherwise, it is time to act.
After making a comparative assessment of established standards and performance the important step is to take appropriate action. Corrective action is essential to ensure that a in future the desired objective is achieved. This may involve alterations, changes, rethinking or devising and employing better methods. The important point is that the manager must consider various alternatives and depending on the requirement take proper action. Information seeking, information sharing and information analysis are vital in the control process. For seeking information, the manager can do as follow:

- Depend on personal observations, i.e., going to the area of activities and having a first hand experience about the quality of services, service timings and attitudes of those providing services.
- Ask for oral reports from employees or interview customers regarding the quality of services, improvements, suggestions, complaints etc.
- Ask for written reports from employees or feedback forms from customers.

For this appropriate formats have to be devised as per requirements.

Manager can adopt any one of these methods or all of them. Information collected should be shared among other managers/partners if any in order to collectively analyze it, facilitate the decision making process and implementation.

Controlling

Plunkett, et al. (2008)\(^1\) illustrates control process as a continuous flow between measuring, comparing, and action. Four steps in the control process are as follow:

1. Setting objectives: Establishing performance standards are when objectives are set during the planning process. Its standard is a guideline established as the basis for measurement. It is a precise, explicit statement of expected results from a product, service, machine, individual, or organizational unit. It is usually expressed numerically and is set for quality, quantity, and time. There are several sub-controls in this step: time controls, material controls, equipment controls, cost controls, and budget controls, financial controls, and operations controls (like total quality management).

2. Observing and measuring performance: During step two, measuring actual performance, supervisors collect data to measure actual performance to determine variation from the standard. Personal observation, statistical reports, or oral reports can be used to
measure performance. Observation of employees working provides hands-on information, extensive coverage, and the ability to read between the lines. While providing insight, this method of management by walking around might be misinterpreted by employees as mistrust.

(3) Comparing results: The third step of comparing measured performance against an established standard is comparing the results with the standards to discover variations. Some variation can be expected in all activities and the range of variation has to be established. Management usually lets operations continue as long as they are within the defined control limits. Deviations that exceed this range alerts the manager to a problem and leads to the last step.

(4) Corrective action: The last step, taking corrective action, is when a supervisor finds the cause of the deviation. Then he or she takes action to remove or minimize the cause. If the source of the variation in performance is from a deficit activity, then the supervisor can take immediate corrective action and get performance back on track. Also, the manager can opt to take basic corrective action, which determines how and why performance has deviated, and correct the source of the deviation. Immediate corrective action is more efficient, while basic corrective action is more effective.

According to Management Study Guide (2011), controlling process is a management function which involves the following four steps:

(1) Establishment of standards: Standards are the plans or the targets which have to be achieved in the course of business function. They can also be called as the criterions for judging the performance. Standards generally are classified into two aspects.

(a) Measurable or tangible: Those standards which can be measured and expressed are called as measurable standards. They can be in form of cost, output, expenditure, time, profit, etc.

(b) Non-measurable or intangible: There are standards which cannot be measured monetarily. For example—performance of a manager, deviation of workers, their attitudes towards a concern. These are called as intangible standards.

Controlling becomes easy through establishment of these standards because controlling is exercised on the basis of these standards.
(2) Measurement of performance: The second major step in controlling is to measure the performance. Finding out deviations becomes easy through measuring the actual performance. Performance levels are sometimes easy to measure and sometimes difficult. Measurement of tangible standards is easy as it can be expressed in units, cost, money terms, etc. Quantitative measurement becomes difficult when performance of manager has to be measured. Performance of a manager cannot be measured in quantities. It can be measured only by attitude of the workers, morale to work, development in the attitudes regarding the physical environment, and communication with the superiors. It is also sometimes done through various reports like weekly, monthly, quarterly, yearly reports.

(3) Comparison of actual and standard performance- Comparison of actual performance with the planned targets is very important. Deviation can be defined as the gap between actual performance and the planned targets. The manager has to find out two things here- extent of deviation and cause of deviation. Extent of deviation means that the manager has to find out whether the deviation is positive or negative or whether the actual performance is in conformity with the planned performance. The managers have to exercise control by exception. He has to find out those deviations which are critical and important for business. Minor deviations have to be ignored. Major deviations like replacement of machinery, appointment of workers, quality of raw material, rate of profits, etc. should be looked upon consciously. Therefore it is said, “If a manager controls everything, he ends up controlling nothing.” Once the deviation is identified, a manager has to think about various causes which have led to deviation. The causes can be erroneous planning, co-ordination loosens, implementation of plans is defective, and supervision and communication is ineffective, etc.

(4) Taking remedial actions: Once the causes and extent of deviations are known, the manager has to detect those errors and take remedial measures for it. There are two alternatives: taking corrective measures for deviations which have occurred; and After taking the corrective measures, if the actual performance is not in conformity with plans, the manager can revise the targets. It is here the controlling process comes to an end. Follow up is an important step because it is only through taking corrective measures, a manager can exercise controlling.
Stratford Business School (2011) suggests five main steps in the control process with diagram are discussed below:

![Diagram of the control process]

**FIGURE 2.8**
**STEPS IN THE CONTROL PROCESS**

1. **Fixing the Standards**

   - A standard is a criterion (base) which is used to measure the performance of the subordinates. Standards may be of two types, i.e. Quantitative Standards and Qualitative Standards.
   - Quantitative standard can be easily defined and measured. For e.g. number of products, number of customers, cost, net profit, time limits, etc.
   - Qualitative standard cannot be easily defined and measured. For e.g. measurement of morale, measurement of job satisfaction, measurement of effect of a training programme, advertisement programme, etc. It is better to have quantitative standards because they are measurable. However, today there are many new techniques for measuring qualitative standards.

   The standards should be as clear as possible. It should be easily understood by both superiors and subordinates. The responsibility of each individual should also be clearly defined i.e. everyone should be responsible for achieving a particular goal, objective, target, etc.
(2) Measuring the actual performances: After establishing the standards, the subordinates should be provided with all the resources for performing the job. They should be properly directed and motivated to perform the job. Similarly, they should be properly supervised. If the subordinated come under Theory X they require maximum supervision. However, if they come, under Theory Y then they require minimum supervision. After they complete the job their performance should be carefully measured. There are many traditional and modern techniques for measuring the performances of subordinates.

(3) Comparison: The actual performances of the subordinates are compared with established standards, and then the deviations are found out. The deviations which are found out may be positive or negative.

❖ Positive deviation means that the actual performances are better than the established standards. Positive deviations should be appreciated.

❖ Negative deviation means that the actual performance is less than the established standards. The management should pay special attention to the negative deviation. They should find out the causes of negative deviations.

(4) Corrective action: After finding out the negative deviations and their causes, the managers should take steps to correct these deviations. Corrective actions should be taken promptly. Corrective action may include, changing the standards, providing better motivation, giving better training, using better machines, etc. The management should take essential steps to prevent these deviations in the future.

(5) Follow-up: After taking corrective action, the management must do a follow-up. Follow-up is done to find out whether the corrective actions are taken properly. It also finds out whether the deviations and their causes are removed. If follow-up is done properly, then the actual performance will be equal to or better than the established standards.

While performing the managerial tasks, knowing the proper techniques of using effective control is very essential. This knowledge or technique is required to avoid resistance and other problems. The techniques may vary as per the requirements or nature of the Venture.
(1) It should be made clear that control is a mechanism to monitor progress rather than a pressure tactic. There should not be an impression that control means imposition of restrictions on employees' freedom. It is important for both the executives as well as the other staff to know that the primary objective of control is to ensure that a job is well done and done within the expected schedule to achieve the objectives. Flexibility in control is required because it makes control workable in the face of changes or unforeseen circumstances.

(2) Control should be timely. Time is most important in the sense that if the manager fails to take a timely corrective action he may incur losses. There should be a mechanism for the availability of timely information and appropriate action should be taken without delay.

(3) Cost effectiveness of control should be looked into carefully. Control costs include such factors as monitoring and processing systems, hiring personnel to operate the system, etc. The manager must see to it that costs involved in controlling should be economical and the system should be beneficial for the organization.

(4) Controls should be accurate and objective. Care should be taken to minimize subjectivity in control, otherwise it may affect the judgement and performance of the employees. Importance should be given to establishing specific performance goals for each position and emphasis should be given to achieve specific goals. Thus through individual control overall control can be ensured.

(5) Control should be acceptable to all. To make controls acceptable it is important to ensure that people understand the purpose of the system clearly and feel that they have an important stake in it. Participative management approach can be the best way to make people involved in taking major decisions for the organization. Indirectly this makes everybody accountable for his/her own decision. Instead of applying control from above, the emphasis should be on control from within. At the same time the person doing controlling or monitoring must have the necessary authority for performing these tasks.
2.2.5 Objectives of participative management

Participative management acts as a force to motivate employees to meet specific organizational goals. The main idea behind this style of management is not only using physical capital but also making optimum utilization of intellectual and emotional human capital. This is the process of involving people in decision making process to ensure that everyone’s psychological needs are met. It, in turn, increases the job satisfaction among employees and improves the quality of their work life. Motivated employees are the biggest assets of an organization and participative management is an effective strategy to retain the best talents of the industry.

The main objectives of participative management are as follow:

(1) To make best use of human capital: Participative management does not restrict organizations to exploit only physical capital of employees. Rather it makes the best use of human intellectual and emotional capital. It gives employees an opportunity to contribute their ideas and suggestions to improve business processes and create a better working environment.

(2) To meet the psychological needs of employees: When employees have a say in decision making process, it gives them a psychological satisfaction. It is a simple force that drives them to improve their performance, create a proper channel of communication and find practical solutions to design better organizational processes.

(3) To retain the best talent: Participatory management is one of the most effective strategies to retain the best talent in the industry. It gives employees a sense of pride to have a say in organizational decision making process. Once they are valued by their seniors, they stick to the organization and become management’s partners in meeting specific goals and achieving success.

(4) To increase productivity: In today’s competitive world, motivation, job security and high pay packages are not enough to increase industrial productivity. Leadership, flexibility, delegation of authority, industrial democracy and employee say in decision making are important to increase annual turnover of any organization.

(5) To establish harmonious relationship: Participatory from of management is an unbeatable tact to establish and maintain cordial relationships with employees and workers union. The success of an organization depends on its human resources. Employee
empowerment acts as a strong force to bind the employees and motivate to give them their best to the organization.

(6) To maintain a proper flow of communication: Two-way communication plays an important role in the success of any organization. Employee participation in decision making ensures proper flow of communication in the organization. Everyone contributes their best and tries to strengthen the organization by contributing their best to improve business processes.

2.2.6 Feature of participative management

Employees have always been bossed around their managers and told what they are supposed to do. They never had the authority to decide things in the company. Gradually, times are changing and employees are encouraged to participate in organization’s decision making process. Management motivates them to come up with ideas and suggestions that can make organizational processes far more efficient. The main idea behind adopting participatory form of management is to work together, achieve targeted goals in minimum possible time and stay ahead of competition. The following is the features of participative management: (Management Study Guide, 2012)\(^74\)

(1) Ethical dimensions: Participatory management has ethical dimensions and based on morals, principles and values. In this form of management, every one is treated equally when it comes to organizational decision making. It is based on employee empowerment, responsibility sharing and delegation of authority.

(2) Proper channel of communication: Participative form of management encourages two-way communication. It is not only management that decides what employees need to do but it also encourages employees to participate in decision making and give ideas and suggestions to make organizational processes better and more efficient. They are allowed to share their problems, views, ideas and feedback with their managers.

(3) Empowers employees: Participative style of management gives employees a chance to participate in management processes. They are encouraged to come up with their views. Gone are the days when employees were bossed around by their managers. Now they are to be treated like co-workers. This provides a higher status to employees as they also have a say in decision making.
(4) Recognition of human dignity: In this form of management, all employees are treated equally irrespective of their designations when it comes to giving ideas and suggestions for organizational decision making process. Employees are no more the servants of managers but are the most important assets of an organization.

(5) Psychological satisfaction to employees: Most of our lives are spent at workplace. It is important for everyone to have psychological satisfaction as far as our employment is concerned. Commitment from the organization, respecting the dignity of individuals and co-determining the company policies are some of the features of participative management that provide psychological satisfaction to employees.

2.2.7 Pre-requisites of participative management

Participative management can best be described as a style of decision making that ensures that involvement of stakeholders at all levels. This operates at three levels, Problem analysis, strategy formulation and final implementation of the solution. There are certain prerequisites to be met before participative management can be put to work.

Participative management first of all requires a willingness from the managers to give up some charge to the workers and they must in turn be in a position such that the successful participation of all is ensured. It cannot be successful in any organization unless is carefully planned, timed and well thought upon.

Since participative management is a style of decision making, therefore its implementation essentially requires a change in the employee’s idea of the latter. This change also means that there is a cultural change required in the organization vis-à-vis a change from a certain other style of decision making to participative style. It also brings with it a certain amount of resistance from the employees specially so from the older or the long term employees.

The resistance is a reflection of the disbelief of the employees that their participation will not be respected and implemented. The onus here lies on the managers in putting in sincere efforts to convince them of the usefulness of their role in the decision making. The employees need proof that their ideas will be considered, discussed seriously and implemented finally if found beneficial to the organization. This is precisely why participative management needs to be implemented in phases; this way the employees are
able to see proof that their ideas and suggestions hold weight. It also encourages them to come forth in future and also keeps them continuously engaged in thinking about the welfare of their organization.

One more prerequisite for successful participative management is attitude of the top and middle management or those who seek employee interventions in decision making. They must approach employee involvement with a receptive and open mindset. This encourages participation. They must be open to new ideas and innovations. This may sound problematic in large organizations but how the suggestion is being received decides to a large extent whether or not the style of decision making can be successful.

Since decision making is based on inputs of one and all, therefore its success also depends on the degree of participation of employees. In certain organizations despite obvious proofs, the employees decide not to participate or make contribution. In yet another organizations the employees are not skilled enough to make meaningful contributions to the final decision making process. This can be overcome by imparting the right kind of training and by the manager himself by ascertaining the individual strengths of his team members and asking for relevant contributions based upon the same.

In large organizations in order to ascertain the relevance of suggestions, managers also need to set certain benchmarks for making inputs to various groups so that discussions are held at levels that are consequential and the solutions are feasible economically.

2.2.8 Ground preparation for participative management

Participative management in itself does not ensure success and should not be seen as tool to create magic within no time. There is certain ground preparation required before an organization can decide for implementation of the management style. The following things need to be taken care of:

(1) Clearly defined objectives: Each party to decision making called as the participants namely the management and the workers must have clearly defined objectives. Operationally there should be no clash between the objectives of the two.

(2) Clear communication: There should be clear and timely communication between the management and the workers or the employees. This helps in building trust
between the two parties. Workers also gain a sense of responsibility increasing their stake in their work and in the organization as a whole.

(3) Choosing the Representative: It is important for the workers to choose their representative from among themselves and not any person from outside the labor union. This is important for two reasons. First, the person is able to better understand the problems of his colleagues and report the same to the management. Second, the management is keener to talk and listen from a person who works within the organization.

(4) Training the workers: Training and awareness regarding the usefulness of participative management is required to make it more effective. Further training is required to ensure that every person at every level knows his what contribution he/she has to make. For example, participation at the level of middle management is different compared to participation at lower or top level.

(5) Confidence: Both parties workers and the management need a trust to develop between the two. Participation should not be perceived as intimidation to the position of any. If workers think that their status will be adversely affected, they refuse to participate. Similarly, if managers suspect that they will lose their authority, they will decline to participate.

(6) Increasing workers participation: Workers participation needs to be increased at each level in order to encourage them to contribute meaningfully. Further, their suggestions and recommendations need to be treated with dignity and respect. Nothing can be more motivating than seeing the recommendation being put to practice.

(7) Legal action: Since participative management requires structural and cultural change which takes time. There is resistance to change offered by the employees especially those who perceive it as a threat to their status and authority within the organization. If allowed to take shape a natural speed, it will take time to show results. Therefore, some legislative action is required against the erring employees.

(8) Ensuring ROI: Participation should not be at the cost of the values of the organization. It has to be carefully planned; employees should devote a certain time for participation and the rest upon their own specific area of work.
2.2.9 Benefits of participative management

Arjun Kulkarni (2011) explain three benefits of participative management as follow:

(1) Participative management is beneficial to organization as well as employees. It gives employees a higher degree of enjoyment at work place that drives them to work harder. It is equally rewarding for the management as it ensures tremendous improvement in work culture within the organization as well as increase in its productivity.

(2) Participative management enables organizations to improve performance through a fast, an economical method called the participative design workshop. It clearly states that the design principle underlying the work is a participative method that has clear goals and simple tools for work process improvement.

(3) Participative management is a welcome change from the point of view of employees from the old autocratic system. It gives the employees a chance to be heard within the company. It gives the employee a chance to put forth the suggestions that he feels will benefit both himself and the company. With a democratic style of management, employers are trying to make the employee's job less monotonous and more rewarding. It makes the employee feel satisfied when the suggestions he makes are implemented. It creates a better work environment due to improved employee satisfaction.

McMillan Amy (2011) illustrates four benefits of participative management as follow:

(1) Participative management style offers various benefits at all levels of the organization. By creating a sense of ownership in the company, participative management instills a sense of pride and motivates employees to increase productivity in order to achieve their goals. Employees who participate in the decisions of the company feel like they are a part of a team with a common goal, and find their sense of self-esteem and creative fulfilment heightened.

(2) Managers who use a participative style find that employees are more receptive to change than in situations in which they have no voice. Changes are implemented more effectively when employees have input and make contributions to 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.

(3) 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.

(4) 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.

(5) Increase in productivity: An increased say in decision making means that there is a strong feeling of association now. The employee now assumes responsibility and takes charges. There is lesser new or delegation or supervision from the manager. Working hours may get stretched on their own without any compulsion or force from the management. All this leads to increased productivity.

(6) Job Satisfaction: In lots or organizations that employ participative management, most of the employees are satisfied with their jobs and the level of satisfaction is very high. This is specially when people see their suggestions and recommendations being implemented or put to practice. Psychologically, this tells the individual employee that, 'he too has a say in decision making and that he too is an integral component of the organization and not a mere worker'.

(7) Motivation: Increased productivity and job satisfaction cannot exist unless there is a high level of motivation in the employee. The vice versa also holds true! Decentralized decision making means that everyone has a say and everyone is important.

(8) Improved Quality: Since the inputs or feedback comes from people who are part of the processes at the lowest or execution level. This means that even the minutest details are taken care of and reported. No flaw or loophole goes unreported. Quality control is thus begins and is ensured at the lowest level.
(9) Reduced Costs: There is a lesser need of supervision and more emphasis is laid on widening of skills, self management. This and quality control means that the costs are controlled automatically.

2.2.10 Failure of participative management

Participative Management may fail because of the following reasons:

(1) Resistance to change: Participative Management calls for a change in the entire organizational culture. Older employees specially resist change and do not welcome it. They take it as a device to curtail their powers. Training is also not welcome.

(2) Workers tendency to deviate: Managers must be aware of the tendency of the workers to try spending more time formulating strategies than focus on job in hand. This needs to taken care of. Again top level management may not support this style if they find existent inefficiencies.

(3) One stop solution: Participative management can not always be a one stop solution for every problem. Often the manager needs to delegate or take a decision on his own without consulting or seeking others advice. For example, cases where disciplinary action is needed do not qualify for participative management.

(4) Size of the organization: This style of management can be more difficult to implement in organizations that are big in size. Big size means that there are large numbers of management layers. This often makes registering opinions and suggestions difficult. More difficult can be the implementation of the same.

(5) Abuse of authority: Managers sometimes look upon their own jobs as a license instead as a responsibility. They are unwilling to give away some authority to their subordinate which slows down and chokes the process of decision making. Often such managers complain of being overburdened with responsibilities. This fails the idea of participative management.

(6) Misunderstanding participation: This is yet another reason for failure of participative management. Managers sometimes fail to understand that participative management is not the same as delegating or distributing responsibility. They fail to realize that participative style also involves considering the suggestions and recommendations of employees with respect and dignity.
2.3 REVIEW OF THE PAST STUDIES

2.3.1 Introduction

The review of the past studies is a link between the present research and the past researches. It tells the researcher about various aspects that have been already established or concluded by other authors, and also gives a chance to the reader to appreciate the evidence that has already been collected by previous research. In the most general research, review of the past studies need to study the connected between the work already done and the currently research. The review of literature is important to highlight difference opinions, contradictory findings or evidence, and the different explanations given for their conclusions and differences by different authors. In some cases, an analysis of these factors can help one understand may facets of a complex issue and at other times, such analysis can lead to a new possibility that can be researched upon in the current project. Thus review of literature is a very important part of one's research. (Kumar, V., 2007)\textsuperscript{77}

2.3.2 Importance of the review of the past studies

Review of the past studies provides the background and justification for the research undertaken. Bourner, T. (1996)\textsuperscript{78} describes that review of the past studies identify the gaps in the literature, information and ideas that may be relevant to research project, methods that could be relevant to research project, and seminal works in researcher's area. It helps the researcher to avoid the same mistakes as others but increase the breadth of knowledge of researcher's subject area. Review of the past studies helps the research to provide the intellectual context for researcher's work, enabling researcher to position the project relative to other work and put the work into perspective.

An effective literature review helps the researcher to understand the existing body of knowledge including where excess research exists. It provides a solid theoretical foundation for the proposed study. It justifies the proposed study as one that contributes something new to the body of knowledge, frames the valid research methodologies, approach, goals, and research questions for the proposed study. (Leedy & Ormrod, 2005: 4)\textsuperscript{79}. 
2.3.3 Abstract of past studies related to the participative management system.

The researcher has reviewed 11 past studies related to the participative management system. The review of the past studies has provided a thoughtful guideline in understanding the objectives of the study, research design, tools used in the study, sample of the study, technique of analysis of data, and major findings. The reviews of past related studies are as follows:


Objective of the study: The purpose of this study was to identify gaps between transformatory policy directives that call for stakeholder participation, and management and governance practices within schools.

Tools used in the study: Two instruments i.e. open and close-ended questions were employed for the study. These open-ended questions were aimed at verifying the findings that emanated from the quantitative data. The observations made by teachers of school management practices, are reported.

Sample of the study: This study was influenced by the post-democratic ideals for a radical transformation of education systems in South Africa. The various policy documents such as the South African Schools Act (1996), the Labour Relations Act (1995) and the Bill of Rights (1996) that mandate transformation in education systems, aroused interest in the workability and success of implementing these policies in schools. The empirical study, conducted in the Scottburgh District of KwaZulu Natal. Data was solicited from a sample population of teachers.

Technique of analysis of data: The quantitative research method was used for the study. An analysis is also made of the relationship between the principal and the pupils, the teachers and the governing body.

Major Findings: The study reflected the key findings which emanated from the empirical study. It was found that there is a general lack of knowledge by educators and parents about both education policy documents that are emerging such as the South African Schools Act (1996) and local school policies that are to be implemented within specific schools. While the South African Schools’ Act of 1996 calls participation of parents in policy
decisions, more than 20% of the educators indicated that parents do not participate in
decisions about, among others, the school's constitution, the learners' code of conduct, the
admission policy and the school's budget.

Findings from responses to various questions indicate that there is no adequate
information-flow between school governing bodies and the staff members. From the findings,
it can be concluded that although it cannot be categorically stated that schools are
implementing policies participatively by involving parents, learners and educators in the
decision-making processes, a significant percentage of schools are incorporating relevant
stakeholders in the management and governance of schools. The study concludes with a
consideration recommendations which could lead to an improvement of stakeholder
participation in the management and governance of schools.

STUDY 2: “Employee’s Participative Behaviour in Managerial Decision Making and Its
Impact on Organization Outcomes” (Rizwan Qaiser Danish, Yasin Munir: 2000)

Objective of the study: The purpose of this study was to investigate the
employee’s participative behaviour in managerial decision making and its impact on job
satisfaction, job involvement, organizational commitment, and organizational outcome.

Tools used in the study: The questionnaire was used for data collection, analyzed
and concluded employee’s participative behaviour in managerial decision making and its
impact on job satisfaction, job involvement, organizational commitment, and organizational
outcome.

Sample of the study: 277 questionnaires were distributed. 200 complete
questionnaire were received for analysis of data. These questionnaires were distributed
among private and public organizations of Gujranwala, Daska and Sialkot region of Pakistan.
A non-probability convenient random sampling technique was used to address the
responses at the rate of 72%. Questionnaire was further classified into two major sections, 1st
one was demographic section and other was subjective section.

Demographic section of this questionnaire present information about the
employee’s Gender, Age, Marital status, Sector, Industrial composition sector, Establishment
size, job tenure in organization and position at which they are working. Total respondent were
200 out of that 127 were male and female respondents were 73 in numbers while the age of
majority of employees were in the range of 30-39 years and their frequency was 53. In marital status of the employees 127 were married rest of the employees were single. Majority employees were from private sector. Majority employees belong to education industry which is 57 in number and having cumulative percentage 84.7, while the establishment size of the majority of employees were between in the range of 100-199. Job tenure in organization of the majority of employees was in the range of 3-5 years and position at which employees were working, the majority of employees were at managerial / supervisory position.

Technique of analysis of data: In the testing of hypotheses and to determine the association of each variable, Pearson’s Correlation Coefficient and descriptive statistics was determined and analyzed to compute mean and standard deviation of the variables. 5 point Likert scale was used to get the responses while Cronbach’s alpha was also computed to test the reliability of each variable. To determine the impact of employee’s participative behavior in managerial decision making on job satisfaction job involvement and organizational outcomes linear regression with stepwise model selection test.

Major Findings: The results of the study were found that there was high correlation between employee’s participative behaviour in managerial decision making and its strong impact on job satisfaction, job involvement, organizational commitment, and organizational outcome.

Ten variables fair motivational techniques, managerial attitude, organizational commitment, job satisfaction, job involvement, communication levels, flexible work environment, training consistency, employee priorities, organizational outcomes and overall employees participative behaviour in managerial decision making were considered to observe employee’s participative behaviour in managerial decision making. The finding has shown that the mean value of the given responses that represents overall population tendency and each variable represents standard deviation which represents total variation of each respondent against each question and Cronbach’s alpha was also determine against each variable for the reliability of analysis. The Pearson’s Correlation Coefficient “r” expresses the relationship between variables.

The fair motivational techniques are poor correlate with employee’s participative behaviour and negatively correlate with organizational outcomes. The mean value shows average response of employees and represents neutral response about faire motivational
techniques in employee's participative behaviour in managerial decision making and total variation among respondents.

The mean value of managerial attitude shows employees are neither dissatisfied and not satisfied from managerial attitude in employee's participative behavior and variation among responses while correlation between managerial attitude and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behaviour and organizational outcomes.

The mean value of organizational commitment shows employees are neither dissatisfied and not satisfied from organizational commitment in employee's participative behavior and variation among responses while correlation between organizational commitment and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behaviour and organizational outcomes.

The mean value of job satisfaction shows employees are neither dissatisfied and not satisfied from job satisfaction in employee's participative behaviour and variation among responses while correlation between job satisfaction and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behaviour and organizational outcomes.

The mean value of job involvement shows employees are neither dissatisfied and not satisfied from job involvement in employee's participative behavior and variation among responses while correlation between job involvement and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behaviour and organizational outcomes.

The mean value of communication level shows employees are neither dissatisfied and not satisfied from communication level in employee's participative behavior and variation among responses while correlation between communication level and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behavior and organizational outcomes.

The mean value of flexible work environment shows employees are satisfied from flexible work environment in employee's participative behaviour and variation among responses while correlation between flexible work environment and employee's participative behavior is highly significant and also strongly correlated with employee's
participative behavior and organizational outcomes.

The mean value of training consistency shows employees are neither dissatisfied nor not satisfied from training consistency in employee's participative behavior and variation among responses while correlation between training consistency and employee's participative behavior is highly significant with employee's participative behaviour.

The mean value of employee priorities shows employees are satisfied from employee priorities in employee's participative behaviour and variation among responses while correlation between employee priorities and employee's participative behaviour is highly significant and also strongly correlated with employee's participative behavior and organizational outcomes.

There is highly significant correlation between organizational outcome and employee's participative behaviour. The mean value of employee's participative behaviour shows employees are satisfied that employee's participative behaviour in managerial decision making and strongly impact on organizational outcome.

This study provides some course of action to managers to understand how to enhance organizational outcome through employee's participative behaviour in managerial decision making by focusing on job satisfaction, job involvement and organizational commitments, by making superior decisions about the desired goals for their employees. The research findings signify the importance to consist of the management of both flaxen procedures and reasonable outcomes. These findings help the managers to realize how flaxen judgments could throw in towards the valuable management of workforce in the course of implementation policies about employee's participation in managerial decision making.

Therefore, participative management is considered as a significant factor for the effectiveness of the organization and their employees.


Objective of the study: The purpose of this study was to identify the administrative behaviour in secondary schools of basic education and to develop an efficient participation management system.
Tools used in the study: The instruments used in the research was a set of questionnaires which was developed by the researcher under the Likert's concept which was divided into 4 systems:

- System 1: = Explorative authoritative
- System 2: = Benevolent
- System 3: = Consultative
- System 4: = Participative group

Sample of the study: Six schools were used in the study with three in the experimental group and other three in the control group. Each group consisted of 84 administrative staffs, head of academic staffs, working staffs and members of basic educational school board with the total of 168 samples.

Technique of analysis of data: This is the research and development research methodology (R & D) and the randomized assignment pretest-posttest control group design. The statistical devices used for the analysis of data were frequency, means, standard deviation and analysis of Covariance.

Major Findings: The findings of the study revealed that the administrative behaviour before the treatment was found of being in the system 3 (consultative). After treatment, experimental group was found of being system 4 (participative) and control group was found of being in the system 3 (consultative). The experimental group management system and control group management system were difference at the statistical significance of 0.05.

It also revealed that the participative management system in secondary schools of basic education was higher than the set standard.

STUDY 4: "Practice and Outcomes of Participative Management System in Japanese Subsidiary Companies in Malaysia" (Saludin, Mohamad Nasir, 2005)

Objective of the study: The purpose of this study was to explores the link between participative management practices (PMP) and participative management outcomes (PMO) in Japanese Subsidiary Companies in Malaysia.

Tools used in the study: The tools used in the study were the questionnaires covering participative management practice (PMP) and four participative management
practices outcomes (readiness to accept change, productivity, teamwork effectiveness and customer service quality).

Sample of the study: One hundred and forty managers from 140 Japanese Subsidiary Companies in Malaysia were the sample of the study.

Technique of analysis of data: Descriptive statistics were used to describe the profile of the subjects in this study and the nature of participative-management-practice programmes. The research utilized F-test (analysis of variance), factor analysis, correlation analysis, and multiple regression analysis to analyze the data.

Major Findings: It was found from the study that 65.70 percent of the respondents indicated that the level of participative management practices in the studied Japanese Subsidiary Companies in Malaysia was at medium level. With regard to the type of participative-management-practice programmes, the result indicated that programmes, such as total quality management (TQM), quality control circles (QCC), suggestion scheme and small group activity (SGA) were more frequently practiced in these companies, while, the discussion group, team working, matrix/project management and task forces programmes were regularly practiced in these companies.

The other programmes such as: morning prayer, company magazine, video presentation and collective bargaining, were less regularly practiced in these companies.

From the factor analysis, five factors; consisting of organizational culture, organizational climate, employee empowerment, total employee involvement and leadership; were identified as elements of participative management practices in this study. Statistically significant relationships were found between participative management practices and readiness to accept change, productivity, teamwork effectiveness, and customer service quality.

These findings indicate that participative management practices tend to increase productivity, readiness to accept change, customer service quality and teamwork effectiveness. The influence of participative management practices on the participative management outcomes is a clear signal to managers to realize the importance and effectiveness of participative management practices.

Overall, this study found that the participative management practices were correlated with the selected participative management outcomes in Japanese Subsidiary
Companies in Malaysia. It is recommended that the participative management practices in Japanese Subsidiary Companies be adopted by local firms in Malaysia.


Objective of the study: The primary purpose of this research was to investigate the extent to which rural schools understand and perceive the concept of participative management. The concept of participative management has been viewed as an ideal style of leadership and management for school development purposes.

Tools used in the study: The tools used in the study were the interview questions covering the understanding of the research participants' subjective experiences as well as their general perception of participative management. As case-study-driven research, it sought to investigate their understanding of the concept in their natural setting. This included various meanings they aligned with and attached to participative management, their attitudes, their interpretations and feelings towards it.

Sample of the study: The study employed a focus group data gathering technique in collecting data. The sample was the employees in a rural school in the Pietermaritzburg district.

Technique of analysis of data: The content analysis was used to analyze the data.

Major Findings: The findings of this study suggest that participative management has been embraced by rural school management to a certain extent. There are potentially positive aspects that have been brought by participative management to the school, namely, shared vision, common goals, shared decision-making and general involvement of relevant stakeholders.

However, the study has depicted a lack of ethical values on the side of some stakeholders and this hinders the smooth implementation of participative management.

The study has also revealed that there are challenges facing rural schools in terms of parental involvement in school governance. Challenges such as lack of commitment to the school, illiteracy among adults and communication breakdown between the school and its parents are still rife in rural schools. Besides these challenges, the blood of participative management is flowing steadily in the veins of the rural school communities.
STUDY 6: "The Study of Participative Management and Resistance to Change in Physical Education Organization and Physical Education Department of Ministry of Education" (Ahmad Ali Asefi, Mehrzad Hamidi, Majid Farahani, Amin Dehghan, 2009)

Objective of the study: The purpose of this research was to study participative management and resistance to change dimensions as well as to survey their relationship in Physical Education Organization and Physical Education Department of Ministry of Education.

Tools used in the study: Data were collected by two researcher-made questionnaires: participative management and resistance to change (with reasonable validity; Cronbach's alpha for participative management and for resistance to change were tested).

Sample of the study: 126 experts of Physical Education Organization and 38 experts of Physical Education Department of Ministry of Education were selected.

Technique of analysis of data: In the testing of hypotheses, Pearson's Correlation Coefficient and descriptive statistics was employed for analysis of the data.

Major Findings: The findings of this study indicated a significant and reverse relationship between participative management and resistance to change and between participation in planning and goal setting. A significant and reverse relationship was observed between participation in decision making and problem solving, participation in control and monitoring and participation in implementation to resistance to change as well. There was a significant difference in participative management between Physical Education Organization and Physical Education Department of Ministry of Education but no significant difference was observed in resistance to change between these two organizations.

STUDY 7: "Moderating Role of Teachers' Personality Traits from the Big Five Typology on the Relationship between Participative Management and Teacher Outcomes" (Pascale Benoliel and Anit Somech, 2009)

Objective of the study: The purpose of this research was to explore the moderating role of teachers' personality traits from the Big Five typology on the relationship between participative management and teacher outcomes with respect to performance, satisfaction and strain. The study suggests that participative management may produce different results depending on teachers' personality factors.
Tools used in the study: Data were collected by five tools:

(1) Participative management. Participative management was assessed by Somech's (2002) questionnaire. Teachers were asked to indicate the extent to which they actually participate in decision making on ten school issues (e.g. instructional policies, classroom discipline policies, resolving learning problems, setting school goals, hiring staff, allocating budget, and evaluating students). They answered on a five-point Likert scale ranging from (1) "very seldom" to (5) "very often".

(2) Teachers' personality dimension. Teachers' personality dimension was assessed by the NEO-Five Factor Inventory Form S, the abbreviated version of the NEO-PI (NEO-FFI: Costa and McCrae, 1992). This inventory has 60 questions, 12 for each of the five factors. It measures the following aspects of personality: extroversion, agreeableness, conscientiousness, neuroticism and openness to experience. Teachers responded to each item on a five-point Likert scale, ranging from (0) "strongly disagree" to (4) "strongly agree".

(3) Job satisfaction. Job satisfaction was assessed by Zak's (1975) ten-item Questionnaire. Teachers responded on a five-point Likert scale, ranging from (1) "strongly disagree" to (5) "strongly agree".

(4) Teacher strain. Teacher strain was assessed by the abbreviated version of the General Well-Being questionnaire developed by Dupuy (1984). Items referred to participants' anxiety, depression, and positive wellbeing. Teachers responded on a six-point Likert scale, ranging from (1) "all the time" to (6) "never".

(5) Teacher performance. Teacher performance was assessed by the school principals using Broockstein's (1991) performance appraisal questionnaire to evaluate the extent to which teachers fulfilled their duties. Principals answered on a five-point Likert scale, ranging from (1) "very bad" to (5) "very good".

Sample of the study: Data were collected from a survey of 153 elementary school teachers and their principals in Northern and Central Israel. A total of 190 schools were chosen randomly from a list provided by the Ministry of Education. For each school, the first name on the school list was asked to fill in the questionnaires. If he or she did not agree to participate, the second teacher on the list was asked to participate, and so forth until a
teacher did agree. After a teacher agreed, we asked the principal to complete a performance appraisal for that specific teacher.

**Technique of analysis of data:** In the testing of hypotheses, confirmatory factor analysis was conducted using LISREL 8 software to analyze the internal structure of the nine scales used in the study (participative management, extroversion, agreeableness, conscientiousness, neuroticism, openness to experience, performance, job satisfaction, and strain). The measurement model was tested by comparing the nine-factor model with the rival three-factor model (leadership style, personality, and employee outcomes) and a one-factor model. As Kelloway (1998) noted, the quality of fit of a theoretical model is based both on providing a good absolute fit to the data and on offering a better fit than a competing model.

**Major Findings:** The findings of this study indicated that the hierarchical regression analyses show that the personality dimensions of extroversion, agreeableness, conscientiousness and neuroticism served as moderators of the relation between participative management and teacher performance, satisfaction and strain. However, openness to experience was not found to have a moderating impact on those relations.

According to the originality/value of this study, it was found that many educational research studies have emphasized the benefits of participative management practices for school organizations and teachers, while ignoring the potential negative impact of teacher participation in the decision-making process. The present study contributes to understanding and predicting the impact of participative management on teachers in particular and on school organization effectiveness in general. From the practical perspective, this research points to the necessity of including personality factors to better understand the impact of participative management on teacher outcomes and indicates that participative management may not suit all teachers.

For managerial implications, the present findings highlight that principals should be aware of how different followers react. When deciding upon the extent of teacher involvement, principals should consider the personality of each teacher. That is, although for some teachers (those who are highly conscientious, agreeable, and extroverted, for instance) participative management has a positive influence on performance, satisfaction and strain, for other teachers, particularly those who are highly neurotic, an environment with less responsibility and interaction might be more suitable. Therefore, principal must become
acquainted with teachers as individuals, promote their strengths, enable them to perform, and remove barriers to their success.

Hence, principals should become more aware of the effects of teachers’ personality traits when deciding who should participate, and they should develop more appropriate criteria for participation. Thus, they must have the capacity for flexible participative management and the required skills to determine, according to improved criteria, how far to involve teachers in the decision-making process, while providing a response to the needs of the teachers as well as those of the school. For teachers who encounter difficulties conforming to participative management practices, we are not saying that principals should not involve such teachers in the decision-making process. In fact, the question arises of how principals can still benefit from involving such teachers in the decision-making process. For example, a principal may create an atmosphere that provides significant support for such teachers within the high level of interpersonal interaction and responsibility required in a participative management environment, thus helping them overcome their strain.

STUDY 8: “Perception about Participative Management Practices in the University Libraries of Punjab: An Exploratory Study of Senior Professional Staff” (Syeda Hina Batool, 2011)

Objective of the study: The purpose of this research was to examine the perceptions of participative management practices in the University Libraries of Punjab. The perceptions of participative management practices of library heads and the senior professional staff was compared and tested for differences.

Tools used in the study: Survey method with a questionnaire was used to be the tool of the study. This tool based on previous studies and published literature was reviewed by a panel of experts. A pilot study was conducted to test the instrument. The statements in this instrument used a five points Likert scale. The Chronbach's alpha value of the statements was excellent showing high consistency. The questionnaires were sent by mail to the universities outside Lahore and personally administered in Lahore.

Sample of the study: The target population was public university libraries located in Punjab recognized by the Higher Education Commission. The sample of the study included the chief/head librarian and three senior most professionals from each university.
Technique of analysis of data: The relevant statistics techniques were applied for data analysis through SPSS. The frequencies and means of statements were used to measure the perceptions of the respondents. T-test was applied to test the difference of opinion between the head librarians and their senior professionals.

Major Findings: The findings of this study indicated that all the seven components of participative management were generally favored by the respondents. Three of seven components: organizational structure, communication process and management controls were strongly supported by respondents. Both groups of respondents' head and senior professionals perceived almost same. Although other four components: leadership, decision making, goal setting and motivation presented significant difference of both groups of respondents. These components can be more effective through explicit procedures and policies for participative management.


Objective of the study: The purpose of this research was to determine the relationship between participative management and job attitude of employees of NOPA in Iran.

Tools used in the study: The research tool was a reliable and valid questionnaire. This tool was used for gathering the data regarding the participative management, job satisfaction, organizational commitment and job involvement.

Sample of the study: 60 employees of the National Academy of Olympic and Paralympics Games and all were considered as the sample of the study. The survey questionnaires were distributed among all the staff and were analyzed after the collection.

Technique of analysis of data: This research was a descriptive research. Descriptive statistics - mean, standard deviation- and inferential statistics - Kolmogrof Smirnov and Pearson correlation coefficient to determine the relationship between variables - were used in this study. The correlation between variables of this study was to determine the relationship between the normality of data was confirmed by testing.
Major Findings: The findings of this study are as follow:

(1) There was a significant relationship between participative management and organizational commitment of employees of the National Academy of Olympic and Paralympics.

(2) There was a significant relationship between participative management and job satisfaction among employees of the National Academy of Olympic and Paralympics.

(3) There was no significant relationship between participative management and job involvement of staff of the National Academy of Olympic and Paralympics.

(4) There was a significant relationship between participative management and emotional commitment of staff of the National Academy of the Olympic and Paralympics.

(5) There was a significant relationship between participative management and normative commitment of staff of the National Academy of the Olympic and Paralympics.

(6) There was no significant relationship between participative management and constant commitment of staff of the National Academy of the Olympic and Paralympics.

In conclusion, the finding of the research were shown a significant relationship was found between participative management and job satisfaction, participative management and affective commitment, participative management and organizational commitment, participative management and normative commitment.


Objective of the study: This study aimed at identifying the relationship of Participative Management application with principals’ effectiveness at high schools in Baharestan Town.

Tools used in the study: Questionnaire was a tool used for collecting of data information at this study that it was drawn up separately for participative management and effectiveness after study on the given literature and extraction the aforesaid elements. The questionnaire of participative management has been derived from Fayol’s Model and it has been adapted to survey on rate of participation within four variables (Forecasting/Planning, Organizing, Leading, and Control). Effectiveness Questionnaire has been codified based on
Talcott Parsons' Model and it includes four components (i.e. Adaptation, Goal(s) attainment, Integration (Cohesion), and latency (maintenance of values)). Validity of both measurement tools has been achieved based on face validity (confirmation by 15 experts) and the rate of reliability for both tools has been calculated by Cronbach Alpha Coefficient for questionnaires of participative management and effectiveness.

Sample of the study: The statistical population of the current study includes all principal and assistants at high schools within educational system during educational year 2011-12 in Baharestan Town which totally comprises of 125 participants (25 principals and 100 assistants). To select the sample control group as well as to increase the accuracy rate of measurement and based on formula to determine sample space from H.S.Bola Table, the present research includes 100 sample participants.

Technique of analysis of data: This research was a descriptive research. To analyze data to compare between females and males, the independent t-test has been used and for analysis on the relationship among variables within the limit of Correlational studies; Pearson Correlation Coefficient has been utilized. Also, in order to determine percentage of effectiveness in those high schools where participative management is administered, Regression Test has been adapted.

Major Findings: The findings of this study are as follow:

(1) The first finding of the current study denotes that Null Hypothesis i.e. lack of difference between application of participative management of principals and effectiveness in their schools has been rejected; consequently, with 95% certainty. It is concluded application of principals' participative management will lead to improve effectiveness in their schools.

(2) The second finding suggests that Null Hypothesis that is lack of difference between principals' participation in forecasting and effectiveness in their schools has been rejected; consequently, with 95% level of certainty. It is concluded that principals' participation in forecasting and personnel's effect in organizational decision- makings may improve effectiveness in their schools.

(3) The third finding denotes that Null Hypothesis i.e. lacks of difference between principals' participation in organizing and effectiveness in their schools has been rejected; consequently, with 95% level of certainty. It may conclude that principals' participation in
organizing will lead to improve effectiveness in their schools and at the same time effectiveness may be enhanced by increase in participation in organizing.

(4) The forth finding interprets that Null Hypothesis which is lack of difference among principals' participation in leadership and effectiveness in their schools has been rejected and with 95% level of certainty. It may conclude that principals' in leadership will lead to improvement of effectiveness in their schools. In other words, there is direct and positive relationship between principals' participation in leadership and effectiveness; consequently by increase in participation in organizing, effectiveness will be enhanced. Since a democratic style is required for participation in leadership so that leadership may be implemented ranging from authoritarian to democratic style.

(5) The fifth finding suggests that Null Hypothesis, which is based on lack of difference among principals' participation in controlling and effectiveness in their schools, has been rejected; consequently, it is concluded at 95% level of certainty that principals' participation in controlling of them will lead to improve effectiveness at their schools. Namely, there is a direct and positive relationship among principals' participation in controlling and effectiveness; as a result, the effectiveness will be improved by increase at participation in controlling process.

(6) At the present research, the sixth finding indicates that there is significant difference in total score at participative management between two groups of females and males. As a result, at 95% level of certainty it is concluded that females employ participative management further than males. Thus, the fifth minor hypothesis will be verified in this study.

(7) The seventh finding shows that there is significant difference in total score at effectiveness variable among both female and male groups. Therefore, with 95% level of certainty it is concluded that effectiveness exists more in girl schools than in boy schools.

STUDY 11: “Effective Participative Management: Does It Affect Trust Levels of Stakeholders in Schools?” (Sello Mokoena, 2012)

Objective of the study: The purposes of this study are as follow:

(1) To determine the stakeholders' perceptions of the operational effectiveness of participative management,
(2) To assess the levels of trust that stakeholders have in those who implement participative management

(3) To find out whether the indicators of participative management effectiveness are related to the stakeholders’ levels of trust.

The study was to report the findings of the small-scale study on the effectiveness of participative management (PM) as perceived by parents, learners, teachers, community leaders, members of the school governing body and the principal in one school in the Free State, a province of South Africa.

Tools used in the study: The study was descriptive, involving quantitative data collection and analysis. Questionnaires were used to gather data and responses were tabulated using the SPSS.

In all, three hundred and twenty (320) questionnaires were distributed for data collection. The questionnaire consisted of two parts. The first part was designed to elicit data about the location and democratic structures in place in the school and contained closed questions (multiple-choice or yes/no questions). The second part of the questionnaire was designed to elicit data following the aim of the study and guiding research questions. The next section discusses design of the questionnaire.

The questionnaire used in this study, originally developed by Gamage (1996)\textsuperscript{96}, was used with appropriate adaptations to determine the respondents’ perceptions of the operational effectiveness of PM. The 23-item questionnaire included items on the respondents’ personal information, the SGB decision-making processes, use of sub-committees and the operation of the SGB. The questions were mostly of the multiple-choice Likert-type with open-ended questions in relevant areas.

Another questionnaire was designed to assess the levels of stakeholders’ trust in the practice of PM. An existing instrument for measuring trust developed by Hoy and Kupersmith (1985)\textsuperscript{97} was used with appropriate adaptations to suit the needs of this research. A six-point Likert response format (1 = strongly disagree, 2 = disagree, 3 = slightly disagree, 4 = slightly agree, 5 = agree, and 6 = strongly agree) was used.

Considering that the items used were taken from questionnaires previously validated in earlier research studies, no attempt was made to undertake a pilot run of the
questionnaire used in this research. It was assumed that the questionnaire items used constitute a valid tool for measuring the variables under study.

**Sample of the study:** Two hundred and eighty two (282) respondents out of three hundred and twenty (320) issued out, resulting in a response rate of 88.1%. Respondents in this study came from one public school located in the rural area of the Free State. By involving only one school, the study is not meant to be representative of the entire population but aims to explore perceptions of the respondents on the subject being pursued. Again, the purpose of this study is to provide in detail all that goes on in that school that has been selected. The research study targeted all the stakeholders, namely the school principal, parents, teachers, school governing body, learners and the community leaders. Random sampling was conducted to select a representative sample of learners across all the grades in the school. Teachers were purposefully selected taken into account their work experience at the school. A random sampling was also conducted to select a representative sample of parents who have children attending at the selected school. All other stakeholders were selected through their representation on the school governing body (SGB).

**Technique of analysis of data:** This research was a descriptive research. The study employed the correlational research design. In correlational studies, the basic aim is to measure and describe a relationship between two variables by determining the magnitude and direction of such a relationship, if any exists (Pagano 1998; Gravetter and Wallnau 2004). Therefore, the study examined the correlation between the indicators of PM effectiveness and stakeholders' levels of trust.

**Major Findings:** The findings of this study show that the following indicators of participative management (PM) effectiveness were significantly related to stakeholders' levels of trust: importance of sub-committee structures, satisfactory composition of the school governing body (SGB), adequacy of information for SGB decision-making, adequacy of time for doing SGB business, SGB influence on teaching and learning, and overall SGB functioning. It is suggested that school leaders wishing to enhance the levels of trust among the stakeholders should consider these indicators of participative management effectiveness in carrying out their leadership duties and responsibilities.
2.4 Summary

The second chapter discussed about the participative management system. Participative management system is defined as the an approach, which gives everyone in the organization an opportunity to contribute their skills knowledge and talent to improve the organization. It is an open form of management, where employees have a strong decision-making roles and hold responsibility, accountability for their work with the cooperative relationship among the team of employees for increasing of productivity, quality improvement, reduce the cost and increase the goals achievement.

In the present study, the participative management system was based on the participative group management in Likert's theory of management. It refers to the participative management system which performs in physical education institutes in Thailand. Seven principles of management practice which makes more effectiveness of participative group management according to Likert's theory of management system are as follows:

1. Leadership process
2. Motivational forces
3. Communication process
4. Interaction-influence process
5. Decision-making process
6. Goal-setting process
7. Controlling process

Eleven past studies are reviewed in order to make sure that the present research is not repeating the work that someone has already done earlier. The researcher can get more information, ideas, and intellectual context that relevant to research work. After viewing the past researches, it can be seen that the present research studies is a unique research or only one research which indicate the efficient participative management system in physical education institutes in Thailand rated by physical education teachers' opinions in total group of sample and classified by sex, age, educational qualification and teaching experience. The study also test the difference between the mean scores of efficient participative management system in physical education institutes in Thailand rated by physical education teachers belonging to different groups of sex, age, educational qualification and teaching experience.
Mean, standard deviation, t-test (independent) and Analysis of Variance (ANOVA or F-test) was used to test the null hypotheses.

In order to collect the data, the tool was conducted. It will be presented in the forthcoming chapter (chapter 3: research methodology).
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