The Impact of Participative Decision-Making with Regards to Empowering Employees

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Abstract- **There is a growing realisation that in the complexity of the post-modern world, it is becoming less and less feasible to concentrate leadership and decision-making solely at the top of the organisation. Hence, one of the reasons for empowering employees is that employees are able to take decisions quickly, without looking for manager's approval all the time, in a participative decision-making capacity. But, the lack of knowledge about employee empowerment and the absence of a framework for implementation has created problems.**

Although there is high consensus in the management literature that employee empowerment is necessary for the survival and success of organisations, there are still considerable gaps in our knowledge and understanding of a range of issues concerning employee empowerment, both at the conceptual and practice levels [Conger and Kanungo, 1988; Morrell and Wilkinson, 2002; Huq, 2008; 2010; 2015]. This lack of knowledge is dangerous, as it has serious implications how 'managers and non-managers conceptualize employee empowerment' [Hill and Huq, 2004: 1025].

The aim of this research titled: An Investigation of What Employee Empowerment Means in Theory and in Practice [Huq, 2008] was to investigate the meaning of employee empowerment both at the conceptual and practice levels. An interpretivist approach employing qualitative methods was adopted; it involved conducting two in-depth information-rich case studies, described in this paper as Large Organisation and Small Organisation respectively.

The knowledge drawn from the management literature review proved unsatisfactory, hence this author felt the need to conduct a multi-disciplinary research review in order to draw knowledge from another discipline, namely social work [Huq 2008; 2015], where empowerment is an important construct. However, it is important to note that due to limited space, this author is unable to go into details of both the literature reviews, management and social work, in this paper.It is sufficient for this paper to report that a number of 'themes' of employee empowerment exist, but they are fragmented in the management literature. These 'themes' are not found in any one place, which leads to confusion when organisations try to implement employee empowerment. Furthermore, there is a gap with regards to the knowledge of employee empowerment in the management literature and it is important to look at another discipline to get a fuller understanding of 'empowerment'.

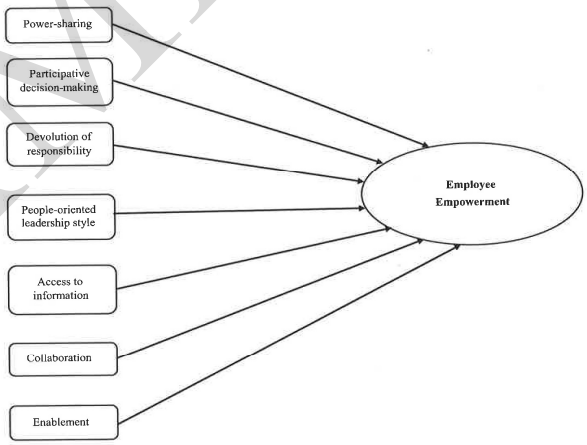
A multi-disciplinary literature review thus enabled this author to put together themes of empowerment from the management and social work literature that are relevant to employee empowerment. These seven themes of employee empowerment are as follows: power-sharing, participative decision-making, devolution of responsibility, people-oriented leadership style, access to information, collaboration and enablement, described as a *'kaleidoscope of themes'*Huq's Model C, [Huq, 2015], as illustrated in the 'Introduction' section of this paper.

One of the conclusions of this research is that leaders and managers need to pay attention to the impact of participative decision-making with regards to empowering employees, which has significant implications for human resource management and if implemented properly can lead to a more judicious utilisation of human resources at all levels.

Key words: **Case studies; Human resource management; Employee empowerment; Participative decision-making; Psychological empowerment; Social work and empowerment.**

I. PARTICIPATIVE DECISION-MAKING

Participative decision-making [Huq, 2010] is one of the seven themes of employee empowerment, described as the 'kaleidoscope of themes', Huq's Model C, [Huq, 2015], as illustrated:



Huq's Model C: a *'kaleidoscope of themes'* of employee empowerment

There is high consensus in the management literature that employee empowerment is necessary for the success and survival of organisations. It is a management response to an increasingly complex and competitive external environment.

According to Hammer [in Gibson, 1997: 97] organisations require a model whereby employees 'at the front lines' are allocated considerable autonomy and responsibility for decision-making and problem-solving and management exists 'not to direct and control or to supervise, but rather to facilitate and enable'.

There is also a shift in employees' attitudes and their perception is that management is not always the expert, and

hence employees are not keen to take orders and instructions from above, instead they ask questions and demand answers.

This shift is described by Toffler [1991: 4] as the 'crack up of old style, authority and power in business and daily life' and it is challenging for empowered organisations, particularly with de-centralisation, as decision-making is vested down the line to front-line employees. Furthermore, with the advancement in information technology, it is no longer the case that knowledge is held in one department or by any one person.

A number of authors agree about the importance of participative decision-making with regards to employee empowerment [Conger and Kanungo, 1988; Gandz, 1990; Gosky and Belfry, 1991; Bowen and Lawler III, 1992; Ashness and Lashley, 1995; Cunningham et al., 1996; Kondo, 1997; Wilkinson, 1998; Martin, 2005; Beirne, 2006; Hasan, 2010]. It is argued that one of the reasons for empowering employees is that employees are able to take decisions quickly, without looking for manager's approval all the time. Hence, 'Authority to make decisions and take action must increasingly be vested in those who are closest to the problem if maximum speed is to be achieved … Empowered people respond faster' [Gandz, 1990: 75].

II. LARGE ORGANISATION

From Large Organisation's formal employee empowerment programme, it should be noted that participative decision-making was an essential theme with the aim of empowering people and improving employee confidence, as explained by one middle manager:

As I see it the main aims and objectives of [the employee empowerment programme] was to empower people, to give non-management people empowerment to make decisions by themselves, by owning issues or problems within their sphere, and by giving them freedom to go ahead and resolving it for themselves. The idea was that they would become their own decision-makers ... rather than have to refer problems to their manager. (Middle Manager).

III. SMALL ORGANISATION

Senior management in Small Organisation explained that although employee empowerment was an informal strategy and not a programme that was rolled out to everyone, people in both management and non-management positions were always encouraged to take decisions and put forward ideas and suggestions.

A number of team leaders (not everybody) remarked on the success of the company on winning the EFQM (European Foundation for Quality Management) Excellence Award and they attributed this to the participative decision-making process where everyone has an 'input' into decision-making:

What makes this company successful is ... we are always involving everyone on the factory floor. We get the input from all over the factory floor not just management and senior management; everybody has to have their say ... what is so good about senior management is the fact that they involve us in the decisions that affect the company. (Middle Manager, Factory Floor).

IV. RESEARCH FINDINGS – LARGE AND SMALL ORGANISATIONS

In Large Organisation, one of the reasons for encouraging participative decision-making was to move away from a 'command and control' culture and give people freedom to take decisions. But, several middle managers felt that senior managers were not committed to this way of thinking. In fact, some of them explained, that in reality, many senior managers still adhered to the old culture of 'command and control' and found it difficult to let go, as they were keen to hold onto their power with regards to decision-making.

In Small Organisation, although in principle, participative decision-making was encouraged amongst non-managerial employees, significant decisions were still taken by management, which matches other studies, such as, by Ashness and Lashley (1995) who report that significant decisions still tended to be taken by the team manager at unit level. In a similar vein, Cunningham et al.'s (1996) research also reveals that those organisations which allowed participative decision-making did so only to a limited extent.

Interestingly, there were a number of managers from both organisations, Large and Small,who felt that participative decision-making 'freed up' a lot of their time to do other things that they were not able to do previously, and that was perceived to be a benefit for them.

The majority of non-managerial employees in both organisations who were able to take decisions without fear, remarked that participative decision-making had a positive impact, it helped to raise their self-esteem, self-efficacy and self-confidence, and enabled them to feel 'empowered' to take decisions, this is the essence of *psychological empowerment* [Huq, 2015]. For leaders, it is necessary to note that 'feeling empowered' is important on an individual level to work in an empowered culture. Psychologically, those employees who were able to take decisions felt good and in several cases it also made them feel 'valued'.

V. CONCLUSIONS

As with all organisational initiatives, if it is not supported by management, initiatives do tend to fail.

With regards to participative decision-making, employees are often unwilling to take decisions, for fear of the consequences of taking wrong decisions, in case they are penalised or lose their jobs [Ripley and Ripley, 1992]. On a psychological note, in such cases, empowering employees will be counter-productive, as employees will be reluctant to take decisions.

However, in order to respond to customers' needs in a timely and effective manner, it is essential for empowered employees at all levels to be free to take decisions without constant worry and apprehension. Employees in an empowered organisation are viewed as people who hold the key to knowledge, experience and expertise. 'People are the source of ideas and innovation and their expertise, experience,

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knowledge and co-operation have to be harnessed to get these ideas implemented' [Oakland, 1989, cited in Wilkinson and Brown, 2003: 181].

Clearly, there is high consensus amongst management authors that employee empowerment is necessary for the success and survival of organisations. By not empowering employees, businesses have consistently failed to utilise the full potential of employees. Since employees deal with customer issues on a daily basis, they should be given the opportunity to come up with the best solutions to problems.

A significant drawback in both organisations, Large and Small, was that a number of non-management employees still felt excluded from participative decision-making, and clearly this needs to be addressed by management. Employee empowerment has the potential to free leaders to take decisions and responsibility at the strategic level, which in turn would lead to a more judicious utilisation of human resources at all levels.

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