**PARTICIPATIVE MANAGEMENT**

Participative (or participatory) management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions. Employees are invited to share in the decision-making process of the firm by participating in activities such as setting goals, determining work schedules, and making suggestions. Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles, or quality-of-work-life committees; and soliciting survey feedback. Participative management, however, involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration and respect. The most extensive form of participative management is direct employee ownership of a company.

Four processes influence participation. These processes create employee involvement as they are pushed down to the lowest levels in an organization. The farther down these processes move, the higher the level of involvement by employees. The four processes include:

* Information sharing, which is concerned with keeping employees informed about the economic status of the company.
* Training, which involves raising the skill levels of employees and offering development opportunities that allow them to apply new skills to make effective decisions regarding the organization as a whole.
* Employee decision making, which can take many forms, from determining work schedules to deciding on budgets or processes.
* Rewards, which should be tied to suggestions and ideas as well as performance.

**BENEFITS OF PARTICIPATIVE MANAGEMENT**

A 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 fulfillment heightened.

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.

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

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