Participative management: commentary with Richard Balzer

The need for employee involvement and participative management in today’s business environment is crucial for gaining and sustaining competitive advantage.

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For the past 20 years Balzer has consulted on strategy, team-building and executive development, with clients including General Electric, Goldman Sachs, British Petroleum and Standard Chartered Bank.

Here, he outlines twelve key insights to help companies move toward greater employee involvement.

What got us into trouble in the first place is the attitude: “If it isn’t broken, don’t fix it”.

Managers are often reluctant to consider innovations in organizational structure or work systems, especially when the systems have been in place for a period of years and appear to be operating fairly smoothly. If it isn’t broken, don’t fix it, they argue. The problem is that by the time a system is broken it may be beyond repair. If the system is badly broken, the tools of organizational change (participative management and employee involvement) are going to work too slowly. A little far-sightedness and preventive maintenance – or preventive innovation – can help avoid future problems.

To remain competitive, organizations must constantly think about self-renewal and about how to remain “not broken”. Therefore, a good time to plan what needs to be done next – whether organizing an employee involvement effort or implementing a gain sharing plan – is when the system isn’t broken.

Focus on where you want to go. Vision may be an oversold notion, but blind faith in instinct is foolish.

It is common to develop a corporate or departmental vision or mission statement. This idea has been oversold, but it does have validity. An organization must have a sense of where it is going, or people may begin a new programme enthusiastically then lose faith after the initial excitement wears off and things slow down.

In articulating its vision of the future, an organization just beginning a change effort is better off projecting where it would like to be in about one year rather than setting long-term goals. Focusing on where you’d like to be in five years’ time is a great exercise, but experience has shown that a vision statement doesn’t really become useful until it has been revised two or three times. That’s when people start internalizing it and thinking it has some meaning.
There is no shortage of good ideas. The problem is getting beyond fads, staying on course and building for the long term.

This is a corollary to the previous lesson. Organizations have difficulty sticking with any long-term strategy beyond the eighteen-month cycle. To complicate matters, the result of most employee involvement interventions is an initial early payoff that gives people unrealistic expectations. They don’t realize there will be periods of slump before the intervention produces a long-term payoff. The problem is that when you start something because it is a fad, you don’t have the commitment to stay with the idea. That makes people cynical. It undermines the changes you are trying to make, and dooms the effort to failure.

Trust and good relations are very important. However, focusing on them instead of solving real problems is usually a mistake.

There is rarely a meeting at which managers do not say that building trust is essential for effective organizational change. But if someone has been beating you for ten years and then says “my arm is getting tired, maybe we should just trust each other”, your response will be less than enthusiastic.

Trust is not something you start with, it is something you end up with after a number of successful interventions. Trust and good relations are terrific, but you need to focus on the real problems that are separating people. If you can solve some real problems, and get some real issues out of the way there will be a more solid base on which to build trust than if you simply tell people to “trust me”.

Programmes or processes that turn employees into problem-solvers one hour a week are a poor investment. Problem-solving should be a full-time occupation.

The goal of participative management is to empower people and make them problem-solvers. The techniques used to do this are quality circles, problem-solving teams, task forces, etc. However, people need to be problem-solvers all the time, not just during a quality circle meeting. Everyone gets excited when 10 per cent or 20 per cent of an organization’s employees become involved in problem-solving groups. But what about the other 80 per cent? The real issue is how to keep your focus on making everybody a problem-solver.

Models are useful, but they are also “a dime a dozen”. The more you develop and use your own approach, the greater the chances of success.

Every consultant has his or her own approach or model for employee involvement or participative management. While applying a tested or standardized approach has benefits, an organization must eventually reach a point where ownership of the process resides with the company not the consultant. Because if a process belongs to somebody else – an outsider – you will not be able to make it work long-term.

Models are helpful as intellectual maps, and may help on some issues, but the real issue is to make the model belong to you. You must understand it, internalize it and believe in it. Ownership is very important, but it is an objective that most organizations spend too little time on.

Leadership comes in all forms. Some people need to say “Do as I say”, while others need to say “Do as I do”.

Many people have spent a substantial portion of their working years in authoritarian settings and simply will not be able to make the transition to a participative style. Some of them, however, are in powerful positions where they can help their organization change, even if they cannot do so themselves. If the boss creates room for real change, then it doesn’t matter if he says “do as I say” rather than “do as I do”.
In many organizations, the best you can initially hope for is to get managers to do some empowering. Of course, it’s wonderful when you find somebody who actually does what he tells others to do. Modelling behaviour is the most powerful agent of all, but it is not the only way to open the door for change.

Involvement should be voluntary – until it is time to make it mandatory.

If improving quality in your organization is crucial to gaining competitive advantage, then your quality improvement programme should not be voluntary. Initially, however, employee involvement should be voluntary. You must give people time to adjust to changes taking place. But once employee involvement becomes part of your operating strategy, it should – and must – become mandatory. Voluntary involvement becomes meaningless when the programme is critical to the success of the organization.

Rewards are a critical means of encouraging appropriate behaviour.

What do you reward and what do you admonish? A company that gives lip service to participative management but promotes an autocrat is sending employees a mixed message. A company might consider demoting a manager whose numbers are good but whose behaviour or management style is not consistent with the participative style of the organization. Make your reward and recognition systems reinforce the behaviour you deem critical to success. And let people know why they are being rewarded or admonished.

Information is power, so share some of it.

If you want people to care about your business, the first step is to let them know something about it. For example, there isn’t a business in the world today that couldn’t cut down on waste by simply letting employees know how much the parts cost. People don’t care about things they don’t know about.

Information is power, the kind of power that must be shared if you want people to know what to do. If you treat people like outsiders, they’ll act like outsiders. Sharing information is not giving up control. It is the most empowering thing you can do. Let people understand every element of the business and they will treat it like their own. This is one of the simplest changes to implement and one of the most productive.

Nothing encourages people like success.

Praise is a small gesture, but one of incalculable importance. People need to know that their efforts are appreciated and that they are doing the right job. It doesn’t hurt to set up a few opportunities for success and recognition, especially early in the change effort. Find a simple problem for a group to solve, one that has a high probability of success. Let employees work through the issue, experience satisfaction with their success, and then give them a new challenge that is a little more difficult. By a natural progression in degrees of difficulty, accompanied by rising confidence levels, you can start people on the path to major goals.

Change is difficult, so there is probably never an easy time to get started.

Where do you start? Change is difficult, no matter who you are or where you are. Readiness assessment may only prove you’re never ready and at the same time always ready. However, in the long run, change is going to be difficult for everyone, so just take a deep breath and get started.

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