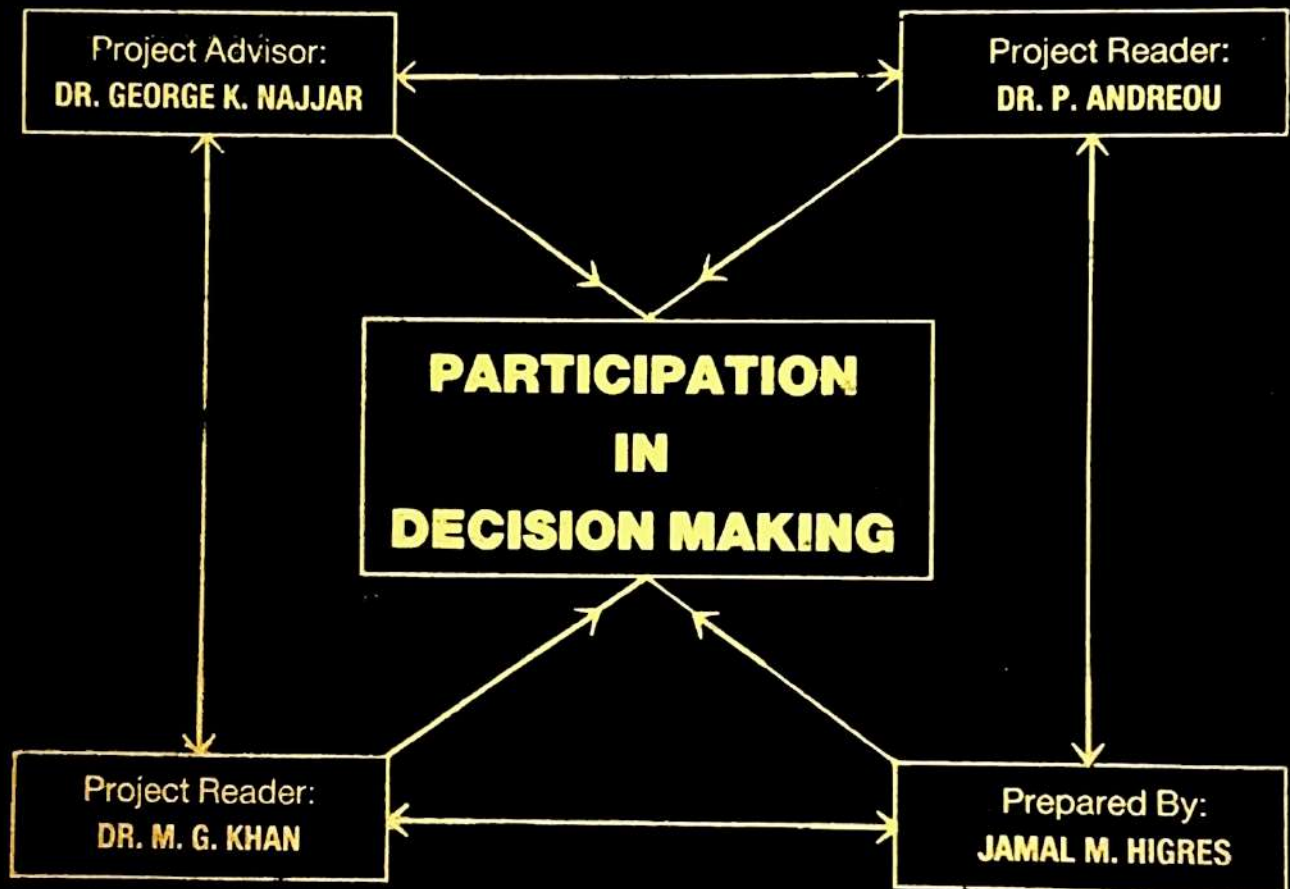

UNIVERSITY OF BAHRAIN
COLLEGE OF BUSINESS ADMINISTRATION



MBA PROJECT
JANUARY 1991



PARTICIPATION IN DECISION MAKING

MBA PROJECT

JAMAL MOHAMMED HIGRES



ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

This project bears the imprint of many persons. I am indebted to my advisor Dr. George K. Najjar - Dean, College of Business Administration, and readers Dr. P. Andreou - Chairman, College of Business Administration, and Dr. M.G. Khan, whose reviews provided me with insightful suggestions and constructive feedback. As a matter of fact, their reviews, assistance and support were indispensable part of this project.

I would like also to express my thanks to those staff of XYZ Bank, who have been selected as the representative group in the research's findings, for their valid input, and for giving me some of their valuable time in answering the questionnaire and discussing other important issues that were relevant to the problems of XYZ Bank.

My thanks also go to my colleague Hussain Ahmadi for his review and good suggestion.

The talented staff at Akhbar Alkhaleej deserve praise for their assistance and professional binding.

My overriding is to my family who provided me the time, support, and inspiration needed to prepare and complete this project which is an important part of my life.

JAMAL MOHAMMED HIGRES
College of Business Administration
University of Bahrain

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page No.
INTRODUCTION	1
HISTORICAL CONTRIBUTIONS TOWARDS PARTICIPATION	2
Introduction	2
A Brief Coverage Of Different Schools Of Management Thought	4
Scientific Management School	4
Administrative Management	7
Human Relation School	9
Organization Behavior School	13
Information and Decision Making School	15
Quantitative School	17
The strategic Management School	18
The Organization Theory School	19
Contributions Of Different Management Schools And Eminent Authors Towards Participation	26
PARTICIPATION IN DECISION MAKING	38
Definition of Participation in Decision Making	38
Participation Versus Other Analogous Concepts	42
Complexity of Participation	43
Group Decision Techniques	47
Advantages and Disadvantages of Participation	49
Prerequisites of Participation	51
MOTIVATION & PARTICIPATION	55
Definition of Motivation	55
Human Need Theory	55
Herzberg's Two Factors Theory	56
Equity Theory	57
Expectancy Theory	57
Literature Evidences	59
Open Participation & Motivation Model	65
Conclusions	70
MAIN PROBLEMS OF XYZ BANK	73
Employees Salaries & Grades	73
Working Conditions	76
Additional Working Hours	77
Training	78
Department's Goals	78
Performance Appraisal	78
Marketing & Credit Department Budget	78
Bureaucracy	79
Relationship Between Managers And Employees	80
Communication	83
Employees Morale and Their Philosophy	84
RESEARCH'S FINDINGS	87

TRANSITIONAL PERIOD	109
Countries Attitudes Towards Participation	109
Amendments of Theory Y and Theory X	114
Body of Knowledge	116
RECOMMENDATIONS	119
BIBLIOGRAPHY	
APPENDIX	
Questionnaire	

INTRODUCTION

INTRODUCTION

Purpose

The main purpose of the project is to study the problems, and attitudes towards participation of the employees of XYZ Bank in order to develop the right type of participation system in the decision making process.

Problems

Salaries & grades, working conditions; additional working hours; training; departmental goals; performance appraisal; Marketing & Credit budgets; bureaucracy; relationship between managers and employees; and communications are the main problems which are covered under this project.

Scope

Historical Contributions Towards Participation;
Participation In Decision Making, Motivation &
Participation; Main Problems of XYZ Bank; Research Findings;
Transitional Period; and Recommendations are the main
sections of this project.

HISTORICAL CONTRIBUTIONS TWOARDS PARTICIPATION

HISTORICAL CONTRIBUTIONS TOWARDS PARTICIPATION

Introduction; a brief coverage of different schools of management thought; and contributions made by each school, prominent and intellectual authors towards participation; are the main three parts of this section which will be discussed and presented here as thoroughly as possible.

The notion is to shed the light on participation from the historical perspective in order to determine the theory base of this project. Besides, determining the amount of contributions made during the different stages of development in Organization and Management Theory towards participation is indispensable part of this project.

INTRODUCTION

"Management theory in some form has been traced back to 5000 B.C.,...In the 1700s, and even more in the 1800s, various economists and operating managers began to develop systematic statements about how management should occur. Names such as Robert Owen, Charles Babbage, Adam Smith, W.S. Jevons, Henry Poor, Daniel McCallum, Henry Towne, and Henry Metcalfe are often mentioned in discussing this period." (1).

A brief coverage of the works of Robert Owen, Charles Babbage, and Adam Smith are given below.

Robert Owen

Robert Owen was a social reformer who was noted for the part he played in assisting the development of the following:

1. Personnel relations. He believed, and praised, the idea that workers should be treated as human beings. He aimed at obtaining results through what is now known as "positive motivation".

2. Improved conditions of employment. He was largely responsible for the introduction of the Factory Act of 1819.

3. Co-operative movement and the reform of working conditions for children.

1. John B. Miner, The Management Process: Theory, Research, and Practice (New York: Macmillan Publishing Co., Inc. 1978), p.76.

Robert Owen, a mill owner, socialist, reformer, and philanthropist, was the forerunner of the humanistic approach(2). To improve productivity, it was necessary to either remove an adverse physical, social, and economic environment or to change that environment by providing more satisfactory living and working conditions.

Charles Babbage

Charles Babbage, a Cambridge professor and eminent mathematician, is given credit for writing the treatise on management in the machine age. He was the forerunner of the mechanistic approach.(3). Although he did not develop his ideas into what would now be regarded as "tools of management," he certainly indicated what could be done. The contributions worthy of special mention are as follows:

1. Cost accounting: he recognized the necessity for detailed costs.
2. Invented the Babbage calculating machine.
3. Attempted to show how the various disciplines were interrelated and pointed the way to the development of a separate subject of management science.

Babbage is known primarily, however, for his formulation of the principle of transfer of skill (as the machine becomes more automatic the worker becomes a machine tender rather than a skilled craftsman).

Adam Smith

Classical organization theory dominated management thinking for the first half of the twentieth century. It had its origins in the ideas of Adam Smith, who in 1776 in the *Wealth of Nations* presented a discussion of pinmakers to show how division of labor could improve productivity.

However, it was not until the early 1900s that the full philosophy of classical theory was presented by Frederic W. Taylor, Henri Fayol, and Max Weber. As it evolved from Taylor, Fayol, and Weber, classical design used full division of labor, rigid hierarchy, and standardization of labor to reach its objectives.

2. Leon C. Megginson, Donald C. Mosley and Paul H. Pietri, Jr., Management Concepts and Applications (New York: Harper & Row, Publishers, 1983), p. 59.

3. Ibid., p. 59.

A BRIEF COVERAGE OF DIFFERENT SCHOOLS OF MANAGEMENT THOUGHT

Scientific Management School

The earliest concepts of scientific management were introduced into the United States by Frederick W. Taylor (1856 - 1915), an engineer who joined the Midvale Steel Works in Philadelphia as a machine shop laborer in 1878.

Modern management theory traces its beginnings to the work of Frederick Taylor and his colleagues during the early decades of the twentieth century.

Taylor was concerned primarily with factory management, and within that context his emphasis was mostly on the management of production workers.

Taylor's ideas are set forth in two major works: *Shop Management* (4) and *The Principles of Scientific Management* (5).

The basic four, most often quoted, state the following:

1. Develop a science for each man's work - a one best way.
2. Scientifically select the best man for the job and train him in the procedures he is expected to follow.
3. Cooperate with the men to ensure that the work is in fact done in the way prescribed. This should include, but not be limited to, providing for increased earnings by those who follow the prescribed way most closely.
4. Divide the work so that activities such as planning, organizing, and controlling are the prime responsibility of management rather than the individual worker.

Work study (time study and method), application of scientific method (application of scientific method to industrial problems), incentive methods (Piece Rate Scheme), principles of management (specialization, standardization etc), experiments (Shovelling: determining the optimum size of shovels in loading and unloading different types of material at Bethlehem Steel Corporation in 1898, Machine tools, and Cutting metals), standards and standard costs (standard time and costing systems of different types), and backing of workers and top management are major achievements of Taylor during his lifetime.

4. Frederick W. Taylor, Shop Management (New York: Harper, 1911).

5. Frederick W. Taylor, The Principles of Scientific Management (New York: Harper, 1911).

Several followers of Taylor do merit specific mention, although no attempt is made here to describe their work in detail. Generally, these pioneers refined and extended the basic ideas of scientific management. Henry L. Gantt, Frank and Lillian Gilbreth, Harrington Emerson, and Morris L. Cooke made important contributions.(6).

Henry L. Gantt. Henry L. Gantt's greatest contribution was the extension of the use of graphic methods, now called the "Gantt Chart".

Frank Gilbreth and Lillian Gilbreth. Frank and Lillian Gilbreth were a husband-and-wife team who expanded Taylor's ideas. Frank B. Gilbreth was a pioneer in developing time and motion studies. He was interested in efficiency, especially in finding the "one best way to do the work". Lillian Gilbreth was interested in the human aspects of work, such as the selection, placement, and training of personnel. She made a contribution to management by publishing the first book on management psychology.

Harrington Emerson. Emerson was a contemporary of Taylor. He emphasized the "great productivity of correct organization". Emerson listed twelve principles of efficiency:

1. Clearly defined objectives
2. Common sense
3. Competent consultation
4. Discipline
5. Fair deal
6. Reliable, immediate and adequate records
7. Dispatching (routing)
8. Standards and schedules
9. Standardized conditions
10. Standard operations
11. Written standard practice instructions
12. Efficiency reward.(7).

Morris L. Cooke. Morris L. Cooke deserves special recognition. He demonstrated that scientific management has application in all types of organizations (profit making and non-profit making organizations).(8).

6. George Filipetti, Industrial Management in Transition
(Irwin: Homewood, 111., 1953), pp. 75-116.

7. Harrington Emerson, The Twelve Principles of Efficiency
(Dunlap, New York, 1911).

8. Our Cities Awake, Doubleday, Doran, New York, 1918.

Classical theory developed in three streams: scientific management, bureaucracy, and administrative management.(9). The amazing thing is that each of the three streams was developed by separate groups of writers working almost totally independently of each other.

Scientific management and administrative management were developed by writers whose primary interest was in directly improving practice. On the other hand, bureaucracy was developed for the most part by sociologists who, by and large, took a relatively scholarly, detached, descriptive point of view.

Bureaucracy

Organizations based on bureaucracy and some other components of classical theory have been in existence for thousands of years. For example, fully developed and large bureaucracies existed in ancient Egypt, China, and the Roman Empire.(10).

"...bureaucracy denotes an integrated hierarchy of specialized offices defined by systematic rules-an impersonal routinized structure where in legitimized authority rests in the office and not in the person of the incumbent."(11).

Max Weber. Max weber, known as the father of bureaucracies, was a German sociologist (considered to be one of the founders of sociology), the head of the German Red Cross in World War 1, and a distinguished university professor.

Weber's "Ideal Type" Bureaucracy

Bureaucracy is the most efficient way of running large organizations and bureaucratic form of organization as Weber saw it has the following characteristics :

9.L.F.Urwick, "Organization and Theories about the Nature of Man," Academy of Management Journal, Mar.,1976,p.9.

10.H. H. Gerth and C. Wright Mills, From Max Weber: Essays in Sociology, Oxford University Press, New York, 1958,p.204.

11.Arthur K. Davis,"Bureaucratic Patterns in the Navy Officer Corps," Social Forces, 1949, pp. 144-145.

Specialization: Each office in the hierarchy has a defined sphere of competence.

Rules: General rules govern the management of the office. Managers in the bureaucracy are subject to strict and systematic discipline and control in the conduct of their office.

Career officials: There is a system of promotion. To replace the patronage system it was necessary to develop a system in which promotion is based on seniority, or achievement, or a combination of both.

Hierarchy: Work is organized in a clearly defined hierarchy of offices. There is a supervision of the lower offices by the higher one.

Appointed Officials : Candidates for offices are selected on the basis of technical qualifications.

Impersonality : Everyone is subject to formal equality of treatment . Everything has to go through the proper channel.

Private and public split: Public monies and equipment are divorced from the private property of the official.

Finally, Weber advocated clear record keeping.(12).

Administrative Management

Administrative management and bureaucracy are closely related, although the two streams of thought were developed almost totally independently. Bureaucracy was developed by sociologists who took a comparatively detached, scholarly view. They described bureaucracy as a normative model of organizations. In contrast, administrative theorists were practicing managers.

Henri Fayol. Fayol was a French industrialist who developed a theory which focused on the five functions of the manager and fourteen principles of management. Fayol began his career as an engineer with the mining firm of S.A. Commentary Fourchambault in 1860, and by 1888 he was the chief executive officer of the firm. Not only could he write

12. Max Weber, The Theory of Social and Economic Organizations. Translated by Talcott Parsons and A.M. Henderson. Copyright 1947 and 1975 by Talcott Parsons.

about management, but he was a successful practitioner. He saved the firm from bankruptcy and left it on his retirement in its best financial shape ever. He published his Guidelines for Industrial Management in 1916. However, it was not translated into English until after his death, which delayed the acceptance of his ideas throughout the world and allowed the work of contemporaries like Taylor to dominate.(13).

Fayol's management principles go far towards capturing the entire flavor of the administrative management. These principles are summarized, with short definitions, in table 1.

TABLE 1 Fayol's Fourteen Principles of Management

1. Division of work or specialization for efficiency purposes.
2. Authority and responsibility. The two must go together.
3. Discipline. To Fayol, discipline came from leadership and fairness to employees.
4. Unity of command. Every employee reports to only one manager.
5. Unity of direction. Similar activities should be grouped under one manager, for example, manufacturing.
6. Subordination of individual interest to the general interest.
7. Remuneration. Rewards for effort should be fair and reasonable.
8. Centralization. Managers have final authority but should generally decentralize authority for performing work to subordinates.
9. Scalar chain. The hierarchy of authority runs from top management to lower management in a straight line.

13. Henri Fayol, General and Industrial Management (Sir Issac Pitman and Sons, 1949), pp.43-52.

He studied monotony, fatigue, psychological adjustment, and other factors as they affect the worker and his performance. He also described how outside social and cultural factors could affect a person and his job performance.

Munsterberg suggested that his approach would reduce the almost limitless waste of human resources and would return large economic benefits to both firms and workmen.

He emphasized as early as 1913 the need for studying human behavior, in addition to scientific management.

Munsterberg's focus upon the differences of individuals and his consideration of social factors clearly were contributions to what later became known as human relation school.

The Hawthorne Experiments. It is generally considered that the human relation school started with the experiments conducted in the Hawthorne plant of the Western Electric Company, near Chicago, from 1924 to 1932. Although its origins can be traced further back, the Hawthorne Experiments undoubtedly crystallized the movement.

Researchers from the National Research Council of the National Academy of Sciences began a series of experiments in 1924 in an attempt to find a causal relationship between the physical environment and improved performance.

The original experiment focused on the relationship between lighting intensities and productivity. Two groups of workers were selected, one group in which experiments would be conducted and one to be used as a control group.

Illumination was increased for the experimental group, and productivity increased. This was consistent with the experimenters' original expectations and hypotheses. The experimenters were surprised, however, to discover that the productivity of the control group (whose lighting had not been changed) had also increased! To test the findings further, the illumination of the test group was lowered, and to the amazement of the researchers, the productivity of the test group increased again. The group of researchers withdrew from the experiments, completely baffled.

Later, in 1927, a group of industrial psychologists led by George Elton Mayo (1880-1949), an associate professor of the Harvard Graduate School of Business, began a series of experiments at Hawthorne.

At this point Mayo and then Roethlisberger and Whitehead joined the research effort.(16). They set up the relay-room experiments which investigated the effects of various factors, for example, rest periods, method of payment, working hours etc., on the productivity of a small group of six women. Again, the results were the same. Increases in productivity seemed to occur independent of the actual changes being made. However, on this occasion the researchers actively consulted with the experimental participants. They asked them a number of questions about why they were working harder, and the results were of major importance. The women reported six reasons in the following order of preference:

- 1.Small group
- 2.Type of supervision
- 3.Earnings
- 4.Novelty of the situation
- 5.Interest in the experiment
- 6.Attention received in the test room

All these facts led the investigators to believe that motivation and productivity on the job were far more complex than the simple economic principles present in the prevailing classical approach. Other, more social, factors were involved.

Mayo and his associates conducted an extensive interview of 20,000 employees. The interviews at first were very structured but later on were flexible and open-ended-employees were encouraged to speak freely and honestly about their jobs. They could choose their topics and could talk in as much depth as they wished. Some of the general sorts of findings are described below.

- 1.People will not initially tell you what the real problem is. They will tell you what they think you want to hear.
- 2.People view their job in terms of its social meaning. Their satisfaction is related to who they work with and for.

16.E.Mayo, The Human Problems of an Industrial Civilization (New York:Macmillan,1933);T.N.Whitehead, The Industrial Worker (Cambridge,Mass.:Harvard,1938);F.J.Roethlisberger & W.V.Dickson,Management and The Worker(Cambridge,Mass.:1939).

3. One's status on the job is important for determining many aspects of their social environment.
4. The groups themselves have norms and values that may be different from company policy.

Thus, there was a recognition that many individual and social factors were influencing behavior on the job.

The final phase of the research was called the bank-wiring-room experiment. Here, fourteen men were wiring telephone switchboards (called banks), and the work required both individual and team effort. The results were dramatically different from the relay-room findings. Productivity did not increase; in fact it slightly decreased. One major finding was that the group set an informal norm of what was a satisfactory day's work. While the time and motion specialists had determined that 2.5 banks could be done, the group decided that 2 banks was about right. Thus, employee and management expectations were different by 20 percent. A second related result was that the group put pressure on its members to complete the standard-not much more and not much less.

All these studies led to the following conclusions:

1. The organization is a social system where people have friends, enemies, hopes,...etc.
2. Informal organization- groups and subgroups that affect the decisions making process. These groups and subgroups might not be recognized in the formal structure.
3. The productivity level is influenced by the norms of the informal organization.
4. Economic and noneconomic incentives affect the motivation of the employee.

"It was discovered that the powerful incentive toward increased production was not the physical working conditions or the financial rewards but because of the Hawthorne effect, whereby workers felt important and appreciated because they were chosen as subjects in a scientific study." (17).

17. Leon C. Megginson, Donald C. Mosley and Paul H. Pietri, Jr., Management Concepts and Applications (New York: Harper & Row, publishers, 1983), p. 68.

Mary Parker Follett. Mary Parker Follett, an American business philosopher, served as a link between the mechanistic (classical school) and humanistic periods. (18). She invented the Law of the Situation; or, at least, she gave formal recognition to its existence. Besides, she believed in joint consultation so that any grievances or disputes could be settled by peaceful means. She suggested "working things out in a cooperative spirit." She believed that conflict could be made constructive by using the integration process in which the people involved look for ways to resolve their differences together.

Chester Barnard. Chester Barnard, president of the New Jersey Bell Telephone Company, this author's most influential book was *The Functions of the Executive*, written in 1938. Chester Barnard comes closest to the human relations viewpoint, although Barnard has been claimed by both the classical and decision-making school. The essential functions of the executive from Barnard perspective are:

1. Provide the system of communications.
2. Promote the securing of essential efforts.
3. Formulate and define purpose.

Barnard emphasized that purposes, to be effective, must be accepted by all the contributors.

He also introduced a new acceptance theory of authority. According to his theory, subordinates will accept orders only if they understand them and are able and willing to comply with them. Barnard was a pioneer in advocating the "systems approach" to managing.

Organization Behavior School

The organization behavior school traces its foundation to the pioneers in the human relations movement. The modern organization behavior school is largely concerned with improving the integration of individuals into organizations, and it focuses on the individual and groups and their relationships to managers and the organization.

18. Leon C. Megginson, Donald C. Mosley and Paul H. Pietri, Jr., Management Concepts and Applications (New York: Harper & Row, Publishers, 1983), p.71.

The names most closely associated with the foundations of the school are: Chris Argyris, Abraham Maslow, Douglas McGregor, and Rensis Likert.

Chris Argyris. Chris Argyris in 1957 charged that poor organizational design established a basic incongruence between formal organizations and the workers drives for self-actualization. He claimed organizations tend to ignore the potential of people. They fail to encourage self-development in areas that are meaningful to each individual. They do not encourage responsibility and innovation. They do not develop and employ the whole man. At lower levels the workers become alienated, frustrated, and unproductive, and they fight the company with a certain sense of social justice. The problem is also severe at management levels, because the situation lacks trust, openness, and risk taking. Chris Argyris emphasizes management trust of employees, job enrichment, and work autonomy.

Abraham H. Maslow. Abraham Maslow, who developed the hierarchy of needs theory of motivation that spawned research and application in motivation, job design, and job satisfaction. His hierarchy suggested that as society made social and economic progress, new needs of employees would arise. In turn, these new needs would require new forms of job and organizational design. Employers face two reasons for redesigning jobs and organization :

1. Classical design originally gave inadequate attention to human factors.
2. The needs and aspirations of employees themselves were changing. (19).

Douglas McGregor. After World War II, a major contribution was made by Douglas McGregor. We remember McGregor for his development of Theory X and Theory Y, the opposing views that workers are lazy and need to be driven and, alternatively, that they are creative and should be given responsibility. McGregor in his book the Human Side of Enterprise was trying to substantiate the thesis that the human side of enterprise is "all of a piece", that the theoretical assumptions management holds about controlling its human resources determine the whole character of the enterprise. (20).

19. Herbert G. Hicks and C. Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co., 1976), p. 422.

20. Thomas J. Peters and Robert H. Waterman, Jr., In Search of Excellence (New York: Harper and Row, Publishers, 1982), pp. 91-101.

Rensis Likert. Rensis Likert emphasized organizational development and offered four categories called system 1, 2, 3, 4, to describe the move from authoritarian management (system 1) to participative management(system 4).

Information and Decision Making School

the decision making school has been associated with the Carnegie Institute of Technology (now Carnegie-Millon University). It includes scholars as Herbert Simon, James March, and Richard Cyert. It owes much to Chester Barnard.

Decision making is a fundamental skill in managing an organization. The decision school has traditionally focused on two areas: descriptions of how managers actually make decisions on the job and the process of rational decision making for individuals and organizations.

Herbert Simon. The most prominent researcher in this school is Herbert Simon, who won a Noble prize for his work on individual decision making.

One of this school's major contributions is differentiating between programmed (routine) and nonprogrammed (novel) decisions. Table 2 shows Simon's classification of decisions and techniques.

TABLE 2 A Classification Of Decision Techniques

TYPES OF DECISIONS	* TRADITIONAL	* MODERN

Programmed:	1.Habit	1.Operations rese-
		arch.Mathematic-
Routine, repetitive	2.Clerical routine	al analysis.Mod-
decisions	:Standard operat-	els.Computer si-
	ing procedures	mulation.
Organization develops	3.Organization st-	2.Electronic data
specific process for	ructure:Common	processing
handling them	expectations, A	
	system of sub-	
	goals,Well-def-	
	ined information	
	channels	

4.Comparing alternatives to criteria

5.Choosing the alternative that best meets the criteria

6.Implementing the solution

Proponents of rational decision making have been criticized for assuming that decision makers have only one objective, unlimited time and money, perfect information, and immense cognitive powers.(22).

Quantitative School

Mathematics is used widely in management theories. Most of the mathematical techniques are employed by people in operations research who refer to their discipline as management science. Their aim is to develop mathematical models in order to explain the managerial problems and find solutions based on their analysis of the mathematical model. Their assumption is that management is a rational process that can be studied and modeled using mathematical, or quantitative, symbols and formulas.

Harold Koontz. Harold Koontz's statement, quoted below explains or expresses manifestly the logic or theme behind the quantitative school.

"There can be no doubt of the great usefulness of mathematical approaches to any field of inquiry. It forces upon the researcher the definition of a problem or problem area, it conveniently allows the insertion of symbols for unknown data, and its logical methodology, developed by years of scientific application and abstraction, furnishes a powerful tool for solving or simplifying complex phenomena." (23).

The methods used by operations researchers generally involve the following steps:

1.Formulating the problem

2.Constructing a mathematical model representing the system under study.

22.Harrison, Managerial Decision-Making Process,5.

23.Harlod Koontz, "The Management Theory Jungle," Academy of Management Journal, December 1961, pp.147-188.

3. Deriving a solution from the model
4. Testing the model and the solution in the actual situation
5. Establishing controls for the solution, or for determining when the system changes
6. Implementing the solution. (24).

After the World War II, mathematical techniques were adopted in such fields as business and operation planning, scheduling of production, inventory control, and budgeting.

The quantitative school has been criticized for the following reasons:

1. The quantitative school has not included people problems in its solutions.
2. Models may not be generally applicable to many situations.
3. Managers may not be able or qualified enough to understand the mathematical model in question.

The major contributions of the quantitative school have been in developing techniques such as linear programming, queuing theory, dynamic programming, inventory models, and planning techniques such as PERT (Programming, Evaluation, and Review Technique).

The strategic Management School

The strategic Management School focuses on defining and implementing long-term goals and plans for the organization. In other words, the major areas covered by this school are:

1. Formulation and implementation of strategy.
2. Development of long-term Plans or strategic plans to direct the organization.

The origins of the strategic management school can be traced to a group of Harvard researchers and their work in the 1960s, although the concepts of the strategic management

24. Claude S. George, The History of Management Thought, 3rd ed. (Englewood Cliffs, N.J.: Prentice-Hall, 1972), p.157.

school have been used in the military for centuries.(25). Alfred Sloan used the idea of strategy in the 1920s in formulating a long-range plan for the then-infant General Motors Corporation. Peter Drucker introduced the first theoretical developments of strategy in his book "The Practice of Management" in 1954. In this book, the term management by objective (MBO) was popularized as an approach to planning.(26). Finally, Dan Schendel and Charles Hofer defined the modern strategic management approach in 1979.(27)

The major contribution of the strategic management school is that it distinguished the roles of the chief executive from those of the lower level managers. The chief executive has to look at the organization from the macro perspective and consider strategic issues which have crucial effects on the survival of the organization. In addition to this distinction between the role and functions of the chief executive and lower level managers, the strategic management school emphasized on strategy as a first step in the organizing process.

The organization Theory School

"Organization theory is the systematic study of organizations and the organizing process. It focuses on designing an organization, or determining what the components of an organization are and how they relate to one another and to the external environment. Its focus is clearly different from the earlier work of Fayol and Weber in a number of respects. The most important one is that it treats the organization as an open rather than a closed system...".
(28).

25.E.P.Learned, C.R. Christensen, K.R. Andrews, and W.D.Guth, Business Policy: Text and Cases (Homewood, Ill.: Irwin, 1965).

26.Peter F. Drucker, The Practice of Management (New York: Harper & Brothers, 1954).

27.D.E. Schendel and C.W. Hofer, Strategic Management, a New View of Business Policy and Planning (Little, Brown, 1979).

28.Carl R.Anderson, Management Skills, Functions, and Organization Performance (New York: Wm.C.Brown Publishers, 1984), p.53.

The organization theory school views an organization as an adaptive system which must, if it is to survive, adjust to changes in its environment. The organization and its environment are seen as interdependent; each depends on the other for resources. "An organization is a structured process in which individuals interact for objectives." (29).

Alfred Korzybski. An early contributor to the organization theory school was Alfred Korzybski.(30). Korzybski's landmark book was published in 1933.(31). Korzybski wrote that we live in three different worlds: the world of events, the world of objects, and the world of symbols.

Mary Parker Follett. Mary Parker Follett also made early contributions to the organization theory school around the late 1920s and early 1930s.(32). She sought to force the idea that every person counts as an individual, a part of a group, and a part of society.

Chester I. Barnard. Chester Barnard published a classic book in 1938, "The Functions of the Executive." Barnard described an organization as a dynamic social system of cooperative interactions with the purpose of satisfying individual needs. He was a pioneer in advocating the "System Approach" to management.

Norbert Wiener. A scientist whose findings have profoundly affected the management thought. Wiener published his book in 1948.(33).

29.Herbert G.Hicks, The Management of Organizations, 2nd ed. (New York: McGraw-Hill,1972).

30.Herbert G. Hicks and C. Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book co.,1972), p.210.

31.Alfred Korzybski, Science and Sanity: An Introduction to Non-Aristotelian Systems and General Semantics,3rd ed. (The International Non-Aristotelian Library Publishing Co., Lakeville, Conn.,1948).

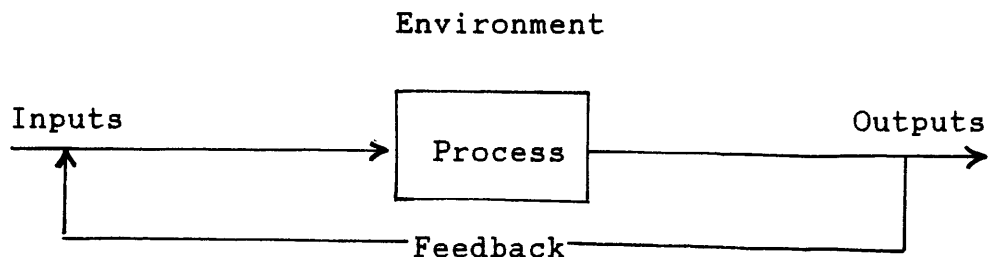
32.Henry C. Metcalf and L. Urwick, Dynamic Administration: The Collected Papers of Mary Parker Follett (New York: Harper, 1940).

33.Norbert Wiener, Cybernetics, M.I.T. (Cambridge: Mass., 1948).

Wiener pioneered in the field of cybernetics (a Greek word meaning steersman). Wiener's work gave the first clear view of an organization as a system consisting generally of inputs, process, outputs, feedback, and environment. This concept can be expressed in Figure 1.

FIGURE 1 Norbert Wiener viewed an Organization as an adaptive system, which can be modeled as illustrated.

AN ORGANIZATION AS A SYSTEM



Ludwig Von Bertalanffy. Perhaps the most important contributor to the organization theory school was Ludwig Von Bertalanffy. Von Bertalanffy, a biologist, developed the general systems theory, which is widely recognized as the philosophical base of the organization theory school.(34). He considered parts important, but he said the whole also was important. Further, the whole might have properties that are not mere summations of the parts.

In one way or another, we are forced to deal with complexities, with "wholes" or "systems" in all fields of knowledge. This implies a basic re-orientation of scientific thinking.

Ludwig Von Bertalanffy

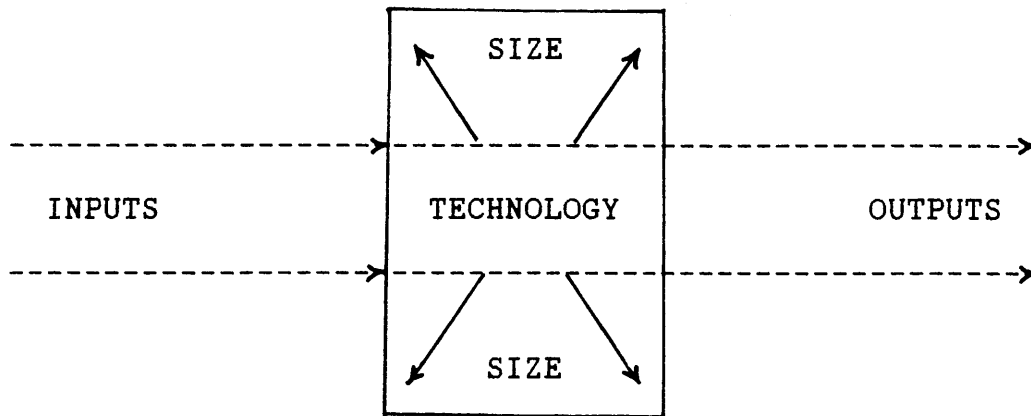
George K. Najjar. A system is an assemblage of parts, each of which is performing a specialized function and contributing for the survival of the system. When we talk about system we talk about functional differentiation and integration. Our body is a good example. By system we mean an integrated system that works together.(35).

34.Herbert G. Hicks and C. Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co.,1976), pp. 212-213.

35.Dr. George K. Najjar, Review lecture, 19th November 1987.

Rickey W. Griffin. Griffin defines technology as the conversion process used by an organization in transforming inputs into outputs.(36). This is explained in Figure 2.

FIGURE 2 Internal Determinants of Organization Design



Joan Woodward. We owe much of what we know about the link between technology and organization design to the pioneering work of Joan Woodward.(37).

In the early 1960s she led a team of researchers studying 100 manufacturing firms in Southern England. Woodward expected to find a relationship between the size of an organization and its structure, but no such relationship emerged, so she began to seek other explanations. Her follow-up led her to classify the organizations according to their technology. Three basic forms of technology identified by Woodward are:

A. Unit or Small Batch Technology

The product is custom made to customer specifications. Tailor shop (custom suits) and a printing shop (business cards, and so on) are good two examples of organizations using this form of technology.

B. Large Batch or Mass Production Technology

The product is manufactured in assembly line fashion by combining components parts into finished product. Automobile companies is a good example.

36. Ricky W. Griffin, Management (Boston: Houghton Mifflin Company, 1984), p.328.

37. Joan Woodward, Industrial Organization: Theory and Practice (London: Oxford University Press, 1965).

C. Continuous Process Technology

The product is transformed from raw materials to a finished goods by a series of process transformations. Examples include petroleum refineries and chemical refineries.

Batch technology is presumed to be more complex than that which is used to Produce small batches and less complex than that which is required for continuous process. Woodward found that different forms of organization design were associated with each technology. This finding is presented in Table 3.

TABLE 3 Woodward's Findings on Technology and Organization Design

* STRUCTURAL COMPONENT				
TECHNOLOGY TYPE	NUMBER OF LEVELS OF MGT	SUPERVISORY SPAN OF CONTROL	EXECUTIVE SPAN OF CONTROL	RATIO OF INDUSTRIAL WORKERS (LINE) TO STAFF
Units or small batch	3	23	4	8:1
Large batch or mass production.	4	48	7	5:1
Continuous Process	6	15	10	2:1
* The numbers in the table are medians for the organizations in each group.				

The above table indicates the following relationships:

A) As technology becomes more complex, the number of levels of management increases and executives span of control increases and the relative size of the staff component grows.

B) The supervisory span of control first increases and then decreases as technology becomes more complex. This is attributable to the fact that most of the work in continuous process technologies is automated.

Tom Burns and G.M.Stalker. An interesting research was provided by Tom Burns and G.M.Stalker.(38). These researchers identified two extreme forms of organization environments. A stable environment is one that remains relatively constant over time, whereas an unstable environment is subject to uncertainty and rapid change. Organization structure tends to follow the type of the environment in which the organization operates.

James Thompson. James Thompson laid the theoretical groundwork for the interdependence of various units in organizations (e.g.,marketing and manufacturing).(39).

Paul R. Lawrence and Jay W. Lorsch. The concepts of Burns and Stalker, and Thompson were extended in the United States by Paul Lawrence and Jay Lorsch, two Harvard professors. (40).

Lawrence and Lorsch suggested that organizations could be characterized along two primary dimensions. One of these dimensions, is differentiation - the extent to which the organization is broken down into sub units. The second dimension, integration, is the degree to which the various units or sub units must work together (open system). Lawrence and Lorsch found that performance was best when formal positions were set up to coordinate the differences between units.

Jay Galbraith. The noted organization theorist Jay Galbraith suggests that the primary consequence of environment uncertainty is that the organization must process more information.(41).

38.Tom Burns and G.M. Stalker, The Management of Innovation (London: Tavistock,1961).

39.J.D.Thompson, Organizations in Action (New York: McGraw-Hill, 1967).

40.Paul R. Lawrence and Jay W. Lorsch, Organization and Environment (Homewood, III: Irwin, 1967).

41.Jay Galbraith, Designing Complex Organizations (Reading, Mass: Addison, Wesley, 1973); and Jay Galbraith, Organization Design (Reading, Mass: Addison-Wesley, 1977).

He goes on to suggest the following methods:

A) Slack Resources (decrease information Processing)

To avoid risks associated with the future, an organization may keep more than enough standby resources to meet such risks whenever they occur. For example, XXX Bank might increase its cash balances in order to meet customers high expected withdrawals that could be initiated as a result of the bankruptcy rumor that was associated with the Iraqi invasion to Kuwait. Naturally, this amount of cash is more than enough for ordinary demands, so the excess in cash balances becomes slack resource, allowing XXX Bank to be less concerned with forecasts, average cash withdrawals, frequency of drawings..etc. Certainly additional costs are associated with this technique.

In terms of organization design, slack resources can affect XXX Bank number of employees, planning staff, budget department...etc.

B) Self Contained Tasks (decrease information processing)

Here an organization moves from functional departments to product departments, each new department becomes self contained, with its own engineers, marketing staff, and so on. This method helps to reduce the number of demands on each specialist.

C) Vertical Information System (increase information processing)

An organization may create systems to transmit information more efficiently up and down the chain. These systems might range from manual systems to electronic computers.

D) Lateral Relationship (increase information processing)

Basically, this involves using any of the coordination techniques.

Many organization theorists are concerned with answers to the following questions:

1. What are the relevant parts of the organizational system?
2. How are they related to each other and to the environment?

3. What are the main processes in the system that link the parts together and facilitate adjustment?

4. What are the goals of the system? (42).

The effective organizational design is contingent upon the adaptiveness between the external environment and the internal environment (internal organization structure). There is no one best structure. This modern perspective led to the development of contingency approach.

Having presented the themes and pillars of the different schools of management thought, it is now possible to go through each school in order to conclude the level of contribution that was made by each school towards participation.

CONTRIBUTIONS OF DIFFERENT MANAGEMENT SCHOOLS AND EMINENT AUTHORS TOWARDS PARTICIPATION

Information presented in the preceding pages pave the way to determine the contributions that were made by different management schools and eminent authors as follows:

Scientific Management

This school is based on a particular set of assumptions:

1. Worker is assumed to be the classical "economic man," interested in maximizing his monetary income.

2. Although emotions sometimes overcome this self-interest, workers are lazy and lacking in self-discipline.

Taylor held that only experts in job analysis understood enough about a job to be able to improve it. Subordinates tended to comply with the policies; job procedures, and rules; and regulations that were imposed on them. The good worker is viewed as one who accepts orders, but does not initiate actions. The worker is told how to do his job based upon scientific analysis of the job.

"Rewards under this system were based on the economic man concept which assumed that motivation and rewards were achieved through providing employees with "a fair day's wage for a fair day's work." (43).

42. N.G. Scott, "Organization Theory: An Overview and Appraisal," Academy of Management Journal, Vol.4, (1961), pp.7-26.

43. Leon C. Megginson, Donald C. Mosley and Paul H. Pietri, Jr., Management Concepts and Applications (New York: Harper & Row, Publishers, 1983), p.65.

Workers were seen as "biological machines." The gains of the scientific school often involved considerable human costs. There was an excessive division of labor and overdependence on rules, procedures, and hierarchy.

Scientific management can be seen in many present-day organizations. We can see it through their emphasis on:

1. Efficient planning of work.
2. Financial rewards related to productivity.
3. Close control and supervision.
4. Stringent rules and disciplinary measures.
5. Authoritarian attitudes on the part of individual. (44).

Despite the above drawbacks of the scientific management it is worthwhile to mention here the contributions which this school made towards participation.

Frederick W. Taylor:

1. Cooperation not individualism

The third principle of scientific management emphasizes on cooperation, not individualism. Management should heartily cooperate with the workers so as to ensure all the work is being done in accordance with the principles of the science which has been developed.

2. Equality

The fourth principle of scientific management emphasizes on equal division of the work and the responsibility between the management and the workmen. The management should take over all work for which they are better fitted than the workmen, while in the past all of the work and the greater part of the responsibility were thrown on the workers.

3. Consensus

People have to accept the rules, regulations, and expectations if the organization wants to prosper. This idea has been a central theme throughout the history of management theory. Writers from both the scientific management school and the human relations school believed that consensus between management and employees was the best method that could help the organization to prosper.

44. John Scott & Arthur Rochester, Effective Management Skills (London: Cox & Wyman Ltd., 1986), p.7.

"Mutuality of Interests," was a related concept that was espoused by Frederick Taylor. The logic behind this concept is that there should be equitable distribution of rewards so that employees would see their interests as similar to the interests of the ownership and management. The basic logic is that we should agree on our goals and work cooperatively toward them. Taylor often said that the way to increase productivity was through mutual trust between management and workers.

Participation, as a means, if implemented carefully and successfully it will lead to cooperation, equality, consensus...etc, which are some of the desired ends of the participation system. From this scenario we can infer that Taylor did not refer directly to the participation as a means in his philosophy of management, however, he referred to some of the desired outcomes of the participation.

It is likely that Taylor anticipated the current emphasis on the concept of management by objective when he referred to payment for the work accomplished rather than time spent on the job.

Henry L. Gantt. Gantt put much emphasis on setting specific tasks with proper rewards for every member of the organization. In recent years the terms management by objectives and management by results have been used to express this idea.

Frank and Lillian Gilbreth. The Gilbreths emphasized the human factors in management and advocated the study of the human sciences.(45).

Harrington Emerson. The third of the twelve principles of Emerson emphasized competent counsel-consultation.

Morris L. Cooke. Cooke urged participation of every employee in finding the "one best way." In this he was quite different from Taylor, who implied that only an expert in job analysis could perform this function.

Generally speaking Taylor and his followers did not put enough emphasis on participation because their assumptions about the workers were closer to theory X than theory Y. However, their limited and implicit contributions towards the participation should not be neglected by authors and researchers.

45. Herbert G. Hicks and C. Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co., 1976), p.185.

Bureaucracy

Hicks and Gullett claimed that specialization, structure, predictability and stability, rationality, and democracy are the main functions of bureaucracy.(46). What is relevant to this project is Democracy. Hicks and Gullett believed that bureaucracy contributes to democracy by its emphasis on technical competence as the sole basis for gaining and holding a job. Nepotism, favoritism, patronage...etc, have no effect on the decision making process. One's qualifications, experience and ability count for everything. Because the opportunity to apply, select, and train for a job is opened to every citizen, and the employee's competence is the main standard upon which selection is made, a significant degree of democracy is achieved.

This might be true under certain circumstances. However, in the Gulf countries in general and in Bahrain in particular, nepotism, favoritism, patronage...etc are the phenomena of most government organizations and profit seeking organizations. I do not think bureaucracy can lead to a democracy or successful participation in our region. Some essential amendments in our society have to be made in order to achieve the desired level of democracy and participation. This is one of the most important points which will be discussed later in this project under the Transitional Period section.

In fact, in bureaucracy there is a marked emphasis on the structural and administrative aspects of the organizations but very little attention to the human aspects. Thus bureaucracy which is a normative model had a very limited, if not zero, contribution towards participation.

Administrative Management

Esprit de corps and committees are two aspects of participation.

Esprit de corps is number fourteen of the principles of management which were mentioned by Henri Fayol. Esprit de corps emphasized the need for teamwork and the maintenance of interpersonal relationships.

46. Herbert G. Hicks and C. Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co., 1976), pp.135-138.

"The basic ideas for the use of committees in organizations can be credited to administrative theorists. Committees provide an organizational structure in addition to line and staff. They can contribute to creativity, communication, motivation, democracy, coordination, education, persuasion, advising, and broad representation of points of view."(47).

Scientific management, bureaucracy, and administrative management are three fundamental streams of classical theory. Objectivity, rationality, certainty, hierarchy, and professionalism are the main characteristics of the classical theory. All three streams of classical theory have common views about the nature of workers which tend to be closer to theory X than theory Y. Too much emphasis was put on hierarchy, specialization, rationality, ...etc, but less efforts were directed to understand the human aspects of the organization. Scientific management, bureaucracy, and administrative management were developed almost during the same time and independently. All are compatible and complementary. "Mechanistic Structure" is a famous logo attached to these streams of management thought.

Human Relation School

Hugo Munsterberg. Munsterberg's belief of individual differences urged him to put more emphasis on the need for studying human behavior. Furthermore, he described how outside social and cultural factors could affect the workers performance. Undoubtedly, these contributions were important input in the development of human relation school from which participation concept has been emerged.

Hawthorne Experiments.

In 1939 Roethlisberger and Dickson published their powerful behavioral interpretation of management based upon their findings in the Hawthorne studies. They stressed the importance of individual differences, informal group interaction, and participation in decision making.

It has been suggested that participative management-in which employees participate and influence decisions that affect

47. Herbert G. Hicks, The Management of Organizations, 2nd ed. (New York: McGraw-Hill, 1972), pp.392-395.

them, emerged from the extensive interviews which were conducted by the Hawthorne researchers in order to explore the feelings and opinions of workers about their jobs and problems. "Before every change of programme, the group is consulted. Their comments are listened to and discussed; sometimes their objections are allowed to negate a suggestion. The group unquestionably develops a sense of participation...."(48). It was suggested that participation results in high productivity.

Mary Parker Follett. Joint consultation, working things out in a cooperative spirit, and integrating process are important aspects of participation which were contributed by Mary Parker Follett.

Chester Barnard. Barnard emphasized that purposes to be effective must be accepted by all contributors concerned. Acceptance criterion plays an important role in determining the supervisory style. The benefits of involving employees in workplace decisions were noted by Mayo during the early 1920s, and Barnard during the 1930s.

"Increasing morale results in increased productivity" was the conceptual framework which was introduced to management thought by human relation school. Encouraging workers to participate in and influence decisions that affect their working activities was a new form of supervision style recommended by the human relation school mainly through the Hawthorne experiments. This view of participative management is in direct contrast to Taylor's scientific management. The human relation school deviated from theory X and moved management thought further towards theory Y. The human relation school holds an assumption that everyone can improve at least his own job if he participate in decisions concerning his work. Undoubtedly, holding this assumption can influence the supervisory style dramatically.

Under humanistic management, managers tend to be more concerned with morale building and maintenance of social interactions. The source of this propensity routes is the above assumption about morale.

"The model for this approach (humanistic approach) was employee participation--> job satisfaction-->increased productivity." (49).

48.Elton Mayo, The Human Problems of an Industrial Civilization (New York: Macmillan, 1933), p.72.

49.Leon C. Megginson, Donald C.Mosley and Paul H.Pietri,Jr., Management Concepts and Applications (New York: Harper & Row, Publishers, 1983), p.73.

Organization Behavior School

Chris Argyris. We remember Argyris by the concept of "The Mature Employee".(50). He saw maturity and growth of workers as important criteria upon which workers contributions to their jobs are determined. Argyris noticed most managers treating people like children. For instance, employees behaviors are constrained by rigid rules, subordinates are dependent on their superiors for total guidance...etc. He emphasized to treat workers like adults, giving them more autonomy and freedom in carrying out their jobs. As people mature they should move from positions of dependence, routine behavior, narrow responsibility, and limited activities to positions of independence, challenging behavior, broad responsibility and more activities. Managers can do this by allowing employees to participate in decision making process and by creating jobs of wider scope. Chris Argyris's conception of how managers should treat employees with respect, allowing participation, and expanding jobs are the main themes of the mature employee concept.

Abraham Maslow. He hypothesized that, within every person, the following needs exist:

1. Physiological: Hunger, thirst, sleep, and sex.
2. Security: Protection, freedom from fear, and a clear authority structure.
3. Social: Love, affection, friendship, and group and team belonging.
4. Esteem: Self-respect, respect and recognition from others, and status.
5. Self-actualization: Meeting individual goals, fulfilling individual potential, and achievement.(51).

Abraham Maslow did not refer directly to participation, however, he introduced the scale of needs from which participation can be emerged. Participation can be emerged from social, esteem, and self-actualization needs.

50. Chris Argyris, Integrating Individual and the Organization (New York: Wiley, 1964).

51. A. Maslow, Motivation and Personality (New York: Harper and Row, 1954).

Participation can be one of the methods by which such needs can be satisfied. For instance, a member in a committee can satisfy group and team belonging, respect and recognition from others, and fulfilling individual potential needs through a good participation system. Can participation affect motivation of employees?. This is a good question that can be derived from Maslow's hierarchy of needs. The answer to this question will be provided under Motivation & Participation section of this project.

Douglas McGregor. Theory X and Theory Y, which will be discussed in depth under Transitional Period section, provide us with the basic management assumptions upon which supervisory style can be built. Participation grows out of the assumptions of Theory Y. At the Heart of participation is acceptance of Theory Y. If a management holds Theory Y assumptions about its employees, encouraging participation system will be more likely, and the opposite is true.

Rensis Likert. Rensis likert, working at the University of Michigan, studied large numbers of organizations to determine what made some of them effective and others less so.(52). Rensis Likert developed a questionnaire to measure various characteristics of organizations. His research led to classification of management practices into four "systems." System 1 is a dictatorial approach to management or ideal bureaucracy, in which fear and economic rewards are used. Fear is replaced by economic rewards in System 2. In System 3, more consultation is used to motivate workers. In System 4, Likert introduced participative management as a basis for decision making process and goal setting. Likert's System 4 is characterized by the following:

1. Confidence and trust between superiors and subordinates.
2. Motivational process initiates a full range of motives through participatory methods.
3. Information flows freely throughout the organization.
4. Interaction process is open and extensive.

52. Rensis Likert, The Human Organization (New York: McGraw-Hill, 1967).

5. Performance goals are high and actively sought by superiors.
6. Decision process occurs at all levels.
7. Self control and problem solving are emphasized.
8. Participation is encouraged in setting high and realistic objectives.

Likert argues that System 4 should be adopted by all organizations. He emphasized the significance of System 4 in creating supportive relationships, establishment of high performance goals, group decision making. "The essence of Likert's philosophy of management is participation and group decision making." (53).

The above coverage indicates manifestly that the organization behavior school has made tremendous contributions towards participation.

Organization Theory School

Joan Woodward, Tom Burns and G.M. Stalker, Paul R. Lawrence and Jay W. Lorsch, and Jay Galbraith represent the most important contributions made by organization theory school towards participation.

Joan Woodward. Woodward found that large batch or mass production organizations were more like bureaucracies, whereas the two extremes (unit or small batch, and continuous process) tended to be very similar to Likert's system 4 organization. Joan Woodward found that there was an implicit relationship between the type of technology and the organization structure. Participative management tends to be more effective for organizations that use small batch and continuous process technologies.

Tom Burns and G.M. Stalker. They found that organizations operating in stable environment were characterized by a mechanistic design (specialized jobs, centralized authority, rigid rules and procedures, free from uncertainty...etc.) which is quite similar to the bureaucratic model.

53. Edwin A. Locke, and David M. Schweiger, "Participation in Decision-Making: One More Look," Research in Organization Behavior, vol.1, 1979, p.302.

On the other hand, a more behavioral, participative, humanistic design, also called "organic design" by Burns and Stalker (communications vertical and horizontal, continuous adjustment of the tasks, higher level of fluidity and flexibility ...etc.) was associated with organizations operating in unstable and unpredictable environments.

Paul Lawrence and Jay Lorsch. They concluded that if the manufacturing subsystem faces a relatively stable environment and the marketing subsystem faces a relatively unstable one, the manufacturing department will be somewhat mechanistic and the marketing department will be more organic (participative, humanistic or behavioral). They showed that in certain stable environments the classical forms tend to be more effective. In changing environments the opposite is true.

Jay Galbraith. To reduce uncertainty the organization must process more information. Basically, this involves using any of the coordination techniques ie. committees, teams, task forces, matrix structure ...etc, when two interdependent units need to coordinate their activities by sharing information. Committees, teams, task forces ...etc, which are some aspects of participation can be useful means in reducing environment uncertainty because they can play an important role in and facilitate information processing.

Information and Decision Making School, Quantitative School, Strategic Management School, Organization Behavior School, and Organization Theory School are classified as main streams of modern theory by the majority of researchers.

.(54). The main contributions of these schools towards participation can be seen through the main factors upon which these schools are based.

The main factors in modern theory are company objectives, achievement of objectives, the motivation, authority and responsibility, defining responsibilities, applying responsibilities, status, loyalty, conflict, participative management, informal relationships, ad hoc investigations, electronic data processing, and financial stability.(55). What is relevant to this project is participative management. This principle is best seen in such techniques as Management by Objectives and Budgetary Control.

54. Personal interview with Dr. George K. Najjar, The Dean of the Bahrain University, 5th January, 1991.

55. J. Batty, Industrial Administration and Management, 3rd ed. (London: Macdonald & Evans Ltd., 1974), pp.73-76.

Management by Objectives (MBO) was popularized as an approach to planning by Peter Drucker, in 1954, in his book "The Practice of Management". MBO starts with goal setting and ends with performance review. The main notion behind MBO is that it is a participative process. It involves managers and employees at every level of the organization. Drucker suggested that managers at every level should participate in setting objectives for levels higher than their own. By this method the managers will be aware of the overall objectives of the company and will be able to relate their own specific goals to the overall picture.

MBO centres around a very positive philosophy about people (Theory Y). Although MBO is a participative process the degree of participation in setting objectives can vary enormously. At one extreme, employees may participate in setting up objectives by being present. At the other extreme, employees may be given the full authority to develop their own objectives and the appropriate methods to achieve them.

One of the first integrative structured participative systems was designed by Scanlon during 1930s and 1940s. The Scanlon plan devised by steelworker and union officer Joseph Scanlon in the late 1930s.(56). The Scanlon Plan consists of the following two main elements:

1. A participation system which involves the formation of committees which consist of employees and managers to develop, evaluate, and choose ideas to either increase efficiency or reduce costs.
2. An equity system which provides employees with bonuses on the basis of their monthly performance versus predetermined and agreed upon standards.

The results of a number of studies show that the Scanlon Plan was often effective in increasing both the company's efficiency and employee's income. The failure under many circumstances could be attributed to the fact that the top managers were reluctant to give employees sufficient opportunities to participate in decision making process.

56. Frost, C. F., F. H. Wakeley, and R. A. Ruh, "The Scanlon Plan for Organization Development: Identity, Participation, and Equity," East Lansing: Mich.: Michigan State University Press. (1974).

"Bennis presented the fundamental idea of humanistic democracy and insisted that, in the work place, democracy is inevitable.... democracy is inevitable because it is the only form which provides the flexibility and decentralization which large, complex organizations require.... Democratic, humanistic organizational systems are the most effective for this situation (large and complex organizations)."(57).

It is clear from the above historical coverage that participation in a broad sense, is not a new concept and the support which this concept received from management theorists is not a new phenomenon. "Management trends indicate that the organization behavior school will increase in popularity as the emphasis on productivity shifts from technology to the worker and as new organization forms emphasize more participation and involvement on the part of employees."
.(58).

Having established the theory base for participation through this section of the project, it is now convenient to cover the main concept of participation. To do so, the following section will deal with the definition of participation in decision making, participation versus other analogous concepts, complexity of participation, group decision techniques, and other relevant topics so that a clear idea of the participation in decision making is gained.

57.Herbert G. Hicks and C.Ray Gullett, Organization: Theory and Behavior (Singapore: McGraw-Hill International Book Co., 1976), p.424.

58.Carl R. Anderson, Management Skills, Functions, and Organization Performance (New York: Wm.C.Brown Publishers, 1984), p.44.

PARTICIPATION IN DECISION MAKING

PARTICIPATION IN DECISION MAKING

In this section definition of participation in decision making, participation versus other analogous concepts, complexity of participation, group decision techniques, advantages and disadvantages of participation, and prerequisites or foundations of participation, will be covered in order to gain full understanding of the different aspects of the participation in decision making.

DEFINITION OF PARTICIPATION IN DECISION MAKING

In order to gain a clear understanding of participation in decision making I feel it is convenient to isolate participation from decision making and to deal with each of them separately. Integration of both concepts will follow in order to complete the picture.

Participation:

Several different definitions in management literature have been provided in order to cover the meaning of participation. This, to some extent, indicate that there is little consensus as to the exact meaning of participation. However, Some of these definitions are worthwhile to be quoted and paraphrased under this section.

"Participation takes place when management and employees are jointly involved in taking decisions on matters of mutual interest where the aim is to produce solutions which will benefit all concerned".(59).

Participative management is a human relation approach. Although improving relations and morale are often by-product, it is a way of getting the job done better. In other words, it is both a human relation approach and results-oriented approach.(60).

"Participation has become a magic word in many countries. Yet almost everyone who employs the term thinks of something different." (61).

59.A Handbook of Personnel Management Practice. (1985).

60.Mark Frohman, "Participative Management," Industry Week, 2 May 1988, pp. 37-38.

61.Edwin A. Locke and David M. Schweiger, "Participation In Decision-Making: One More Look," Research In Organization Behavior, Vol.1, 1979, p.273.

American social scientists define participation as a specific managerial style while European writers see it as a legally mandated mechanism for employees to influence organizational decisions.(62).

The 1961 Oxford English Dictionary defines participation as:

"1.The action or fact of partaking, having or forming a part of; the partaking of the substance, quality, or nature of some thing or person. 2.The fact or condition of sharing in common (with others or with each other); association as partners, partnership, fellowship; profit-sharing.b. A taking part, association, or sharing (with others) in some action or matter."

The first definition would not be particularly useful since it would make participation virtually synonymous with organizational membership. The second definition is more pertinent because it includes that there must be at least two persons involved and something shared in common among the persons concerned.Thus participation may be defined in essence as joint decision making.(63).

"An individual participates in something when he takes a part or share in that thing."(64).

"Participation means that the decision process is social in nature; people are not deciding alone."(65).

Decision Making:

Herbert Simon, mentioned under Information and Decision School, was one of the most prominent researchers who made essential contribution to this school.

62.G. Strauss and E. Rosenstein, "Workers Participation: A Critical View," Industrial Relations, Vol.9, 1970, pp.197-214.

63.Edwin A. Locke and David M. Schweiger, "Participation In Decision-Making: One More Look," Research In Organization Behavior, Vol.1, 1979, pp.273-274.

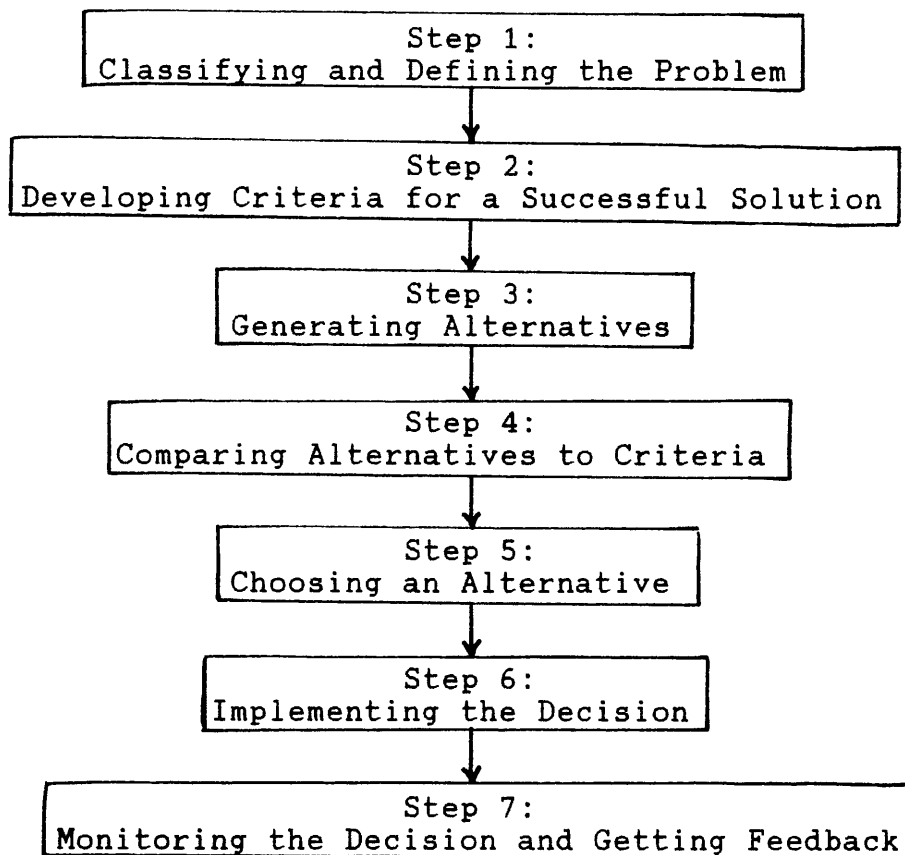
64.Robert Tannenbaum and Fred Massarik, "Participation By Subordinates In The Managerial Decision-Making Process," The Canadian Journal of Economics and Political Science, Vol.16, No.3, August 1950, p.410.

65.Terence R. Mitchell, People In Organizations, 2nd ed. (Singapore: McRaw-Hill Book Company,1985), p.314.

He developed a descriptive theory of decision making which implies that managers in organizations many times do not attempt to maximize, but rather to satisfice.

Decision making involves choosing among different courses of actions or alternatives in order to reach a satisfactory result or outcome. Decision making has almost seven key elements.(66). These elements are illustrated in figure 3.

FIGURE 3 The Normative Decision Process



=====

Most researches on group decision making cover the process in terms of participation in decision making. In other words researchers try to find whether participation in decision making is a good or bad thing.

66. Carl R. Anderson, Management Skills, Functions, and Organization Performance (New York: Wm. C. Brown Publishers, 1984), p.127.

I believe participation can be defined as the "employees' legal right to participate with their superiors in making decisions together, and to influence those decisions that will or may directly or indirectly affect their own working activities and performance. Yet, It is a good supervisory style which, if implemented carefully, can develop better interpersonal relations between managers and employees and motivate employees to contribute more efforts towards achievement of the organization's goals".

The above definition includes basic elements which can be explicitly explained and broken down as follows:

Employee and superior: Participation takes place when more than one person are involved.

Legal right: It is not up to the superior to decide whether or not to allow employees to participate in making decisions, but it is the legal right of employees to provide the organization with their inputs when, their participation in decision making process is necessary.

Together: A superior should be willing to share his power with his employees in order to make them feel that the decisions made are their own decisions. Sharing power can secure employee's acceptance of the decisions.

Influence: Employees should be empowered or have enough power to influence the decision making process.

Affect directly or indirectly: Degree of importance of the decision to, and degree of effect of the decision on employees' performance, determine the necessity of employees' participation in decision making process.

Supervisory style: Participation is contingent upon Theory Y. If a superior holds Theory X assumptions about his subordinates, autocratic leadership style is likely to exist.

Motivate: Participation can satisfy some of the social, self-esteem and self-actualization needs and thus motivate subordinates to put more efforts towards the organization objectives. This element will be elaborated and covered in more details under the Motivation and Participation section.

Goals: Good interpersonal relations between managers and employees, and positive motivation towards work, can be translated into better results. Thus, the aim of participation is not to make employees happy, but rather, to achieve better results through employees' satisfaction and acceptance of the decisions.

PARTICIPATION VERSUS OTHER ANALOGOUS CONCEPTS

Joint consultation, communication, delegation, industrial democracy, and empowerment deserve some explanations and clarifications to gain a clear understanding of what is meant by participation and thus unnecessary confusion can be avoided.

Joint Consultation: It is an approach usually used by management to obtain opinions, ideas, feelings ...etc of employees either directly through the employees themselves or indirectly through the employees representatives before making decisions. Joint consultation can be defined as an informal exchange of views between subordinates and their superiors. It is a means of participation which can get subordinates and superiors together to discuss relevant issues that may affect both parties, however, joint consultation does not necessarily mean power sharing. Power is the traditional prerogative of management in general and bureaucratic or mechanistic management in particular.

Communication: Downward communication (the information flow from superior to subordinates), upward communication (the information flow from subordinates to superior), and lateral communication (horizontal flow of information among peers working in the same organization). Communication is an effective way of keeping employees informed of decisions, results, events...etc, that affect them. Although efficient communication and face-to-face communication are important factors that can affect the success of any participation system. Still an excellent communication system can not replace participation in the decision making process, simply because it does not give employees any power to influence decisions, events ...etc that have been communicated to them through the internal communication means.

Delegation: When decisions are delegated, subordinates are given the responsibility to make the decisions. It is important to mention here that authority should be synonymous to responsibility in order for effective delegation to take place. McGregor said that he never used participation, only delegation. His subordinates were responsible for making all operating decisions, however, he evaluated the consequences of these decisions at the Thursday meeting. McGregor explained that "participation is a process which differs very little from delegation in its essential character. In fact, participation is a special case of delegation in which the subordinate gains greater control, greater freedom of choice, with respect to his own responsibility. The term participation is usually applied to the subordinate's greater influence over matters within the

sphere of his superior's responsibilities."(67). Generally speaking, delegation means assigning decision making responsibility to employees, whereas participation involves sharing decision making responsibility with employees.

Industrial Democracy: Industrial democracy is a formal and legal representation of employees that takes place in the form of committees, councils, and boards at various levels of decision making. Participation, on the other hand, involves sharing in decision making process. Participative management sometimes is called "shop-floor democracy."(68). The legal rights granted to the employees can be given either by the shareholders or management. Sometime it is referred to the industrial democracy as the political term for participation.

Empowerment: Power is the ability to get the job done. Empowerment is the process of transferring some of the power from traditionally powerful , bureaucratic and autocratic managers to everyone in the organization.(69).

"The basic belief underlying the process of empowerment is that power, if it is shared, can breed more power."(70). Encouraging people to participate in the decision making process increases rather than decreases the total amount of power in an organization. Empowerment can be seen as the ultimate form of participation which is more or less the dream of every subordinate.

COMPLEXITY OF PARTICIPATION

Complexity of participation implied in the dimensions of participation, types of decisions, and the degree or level of participation. A brief coverage of these three elements is worthwhile to clear the complexity of participation.

Dimensions of Participation: There are three dimensions of participation "forced or voluntary, formal or informal, direct or indirect."(71).

67.Douglas McGregor, The Human Side of Enterprise (Singapore: McGraw-Hill Book Co., 1960), p.130.

68.Richard M.Hodgetts, Modern Human Relations at Work, 2nd ed. (Chicago: The Dryden Press, 1984), p.209.

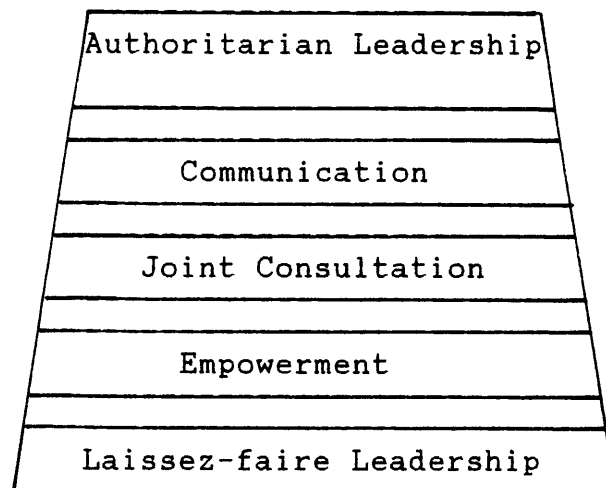
69.J.A. Conger, " Leadership: The Art of Empowering Others," The Academy of Management Executive, Vol.3, 1989, pp.17-24.

70.Jeffery R. Cornwall and Baron Perlman, Organizational Entrepreneurship (New York: R.R.Donnelley & Sons Company, 1990), p.88.

71.Edwin A. Locke and David M. Schweiger, "Participation In Decision-Making: One More Look," Research In Organization Behavior, Vol.1, 1979, p.275.

Levels of Participation: Levels of participation can be explained through the below pyramid (figure 4).

FIGURE 4 Participation Pyramid



=====

Authoritarian Leadership: Under this type of leadership the management style tends to be management centered where the manager makes decisions and subordinates have to obey and execute the decisions of their boss. Under this type of leadership participation is almost zero because the assumptions about employees are based on theory X. Besides, employees are perceived as factors of production.

Communication: When management encourages an effective communication system participation in the form of sharing information exists. However, as explained in the preceding pages participation is more than merely sharing information.

Joint Consultation: At this stage, the level of participation starts to increase because employees now have the chance to express their opinions or provide their inputs into the decision making process.

Empowerment: Here the employees have the chance to provide their input into and influence the decision making process. At this stage managers become willing to abdicate some of their authority to their subordinates. Sharing information and authority, and involvement of both superiors and subordinates in the decision making process is the desired level of participation.

Laissez-faire Leadership: Laissez-faire is a French term meaning noninterference. At this level employees have almost full authority to take decisions and to carry on their own working activities alone without almost any influence from their boss. Employees are interacting with one another and the boss is only checking in on occasion to see how things are going. Although, here employees are given almost the full authority to take decisions, I do not think this is the desired level of participation mainly because of the absence of the leader from the working field. "My people need to be on their own but not alone." (72).

From the participation pyramid, illustrated in the preceding page we can infer that empowerment or participative management is the desired level of participation.

Generally speaking, participation is a complex concept. It takes different forms and involves different levels of influence at different types of decisions. Indeed, the success and the effectiveness of the participation programme is contingent upon the satisfaction of employees' demand.

For instance, if employees feel that decisions relating to the credit policy of their bank has a serious impact on their investment portfolio and performance, they will demand the management to provide them with the chance to participate and influence decisions relating to the credit policy. If management realizes that employees input and influence are important, however, due to policy makers reluctance to abdicate some of their power to the concerned employees the management decided to introduce an effective communication system through which the employees will be informed on a regular basis about any new decisions, amendments to existing decisions, cancellation of certain decisions...etc. Under such circumstances, the employees are most likely to be frustrated rather than satisfied because what was recommended by the management was different to what was requested by them. Determining employees' needs is, by itself, a skilled participative process. In other words, a manager should possess certain interpersonal relation skills and should be able to conduct a preliminary or informal participation in order to find out the actual needs of his employees. This does not mean that a manager has to focus on

72.Wall J.,Bosses, Lexington, MA: Lexington Books, 1986.

the employees needs and neglect the organization targets. However, satisfying the organization targets and employees needs simultaneously should be the target. Undoubtedly, this is a challenging target which can not be achieved easily in the real working life. We can look at a participation as a process which can create a cooperative working atmosphere which can facilitate linking the employees needs with the organization objectives.

GROUP DECISION TECHNIQUES

Brainstorming, Nominal Group Technique, Delphi Technique, and Discussion Group Technique are famous group decision making techniques. A brief coverage of each technique will be presented below.

Brainstorming: Osborn was the first to suggest some techniques for facilitating the generation of ideas in a group, he called this process brainstorming.(73). The general procedures for the brainstorming group can be summarized as follows:

1.Generation of ideas. This step takes place to gather as many ideas as possible from the members of the group without imposing any restrictions on them. The notion is to generate ideas spontaneously without restricting the generation process to any specific standards ie quality of the idea, applicability of the idea...etc.

2.Elaboration on ideas. Members are encouraged to elaborate not only their own ideas but also the ideas of the others. The main purpose is to gain full understanding of the ideas by all members.

3.Evaluation of ideas. Final evaluation takes place only after all ideas have been presented, discussed and understood.

Nominal Group Technique (NGT): The generation, presentation, evaluation, and selection under this technique go through the following steps:

1.Generation of ideas. Members silently and independently generate their own ideas.

73.A. F. Osborn, Applied Imagination: Principles And Procedures of Creative Thinking (New York: Scribner, 1941).

2.Presentation of ideas. At this stage a recorded round-robin procedure takes place through which each member in turn presents one idea to the group, and the ideas are recorded on a blackboard.

3.Evaluation of ideas. Here the ideas which have been presented in No.2 above are discussed and elaborated for the purpose of clarification and evaluation.

4.Selection of ideas. The meeting ends with silent and independent voting on the ideas.

Delphi Technique: The procedure for delphi technique can be summarized through the following steps:

1.A questionnaire is designed to obtain information or opinions on a particular issue. Such questionnaires are mailed to a group of people who are unknown or anonymous to one another.

2.Respondents independently generate their ideas in answering questions.

3.A feedback report summarizes the responses which were obtained through step No.2, is prepared and sent back to respondents along with a second questionnaire. The purpose is to probe the ideas generated in the first questionnaire.

4.Respondents go through the feedback report, evaluate it independently (vote or rate various ideas that were included in the feedback report), and answer the second questionnaire.

5.A decision is made on the basis of the information obtained through the above steps, and a summary report of the information and decision is prepared and returned to respondents in order to keep them fully aware of what was going on.

The Nominal Group Technique and the Delphi Technique are probably two of the most well known techniques in group decision making.(74).

74.A. L. Delberg, A. H. Van de Veu, & D.H. Gustafson, Group Techniques for Program Planning (Glenview,III.: Scott, Foresman, 1975).

Discussion Group Technique: In this technique the discussion starts when the group leader makes a statement of the problem. Unstructured discussion among the group's members will follow in order to generate information and ideas. The meeting concludes on the basis of voting or consensus decision.

What can we conclude from the above group decision techniques?

The answer is that such techniques have been coined to deal with unstructured, ambiguous and uncertain problems which are normally existed in the working field and for which creative decisions are needed. Collective generation of ideas, group discussion, sharing of information, sharing of power (the final decision is made on the basis of voting or consensus decision), and teamwork spirit are the main characteristics of these group decision techniques. Since these characteristics are essential elements of participation, then we can say an efficient participation programme can lead to creative decisions.

ADVANTAGES AND DISADVANTAGES OF PARTICIPATION

Advantages:

1.The more subordinates participate in policy decisions, the greater their sense of identification with the organization will be.(75).

2."Motivation through participation facilitates satisfaction of the growth needs in Maslow's hierarchy."(76).

3.Participation can eliminate some internal conflicts and disagreement among managers and workers and pave the way to solve some of the organization's problems.

4.Participation can contribute to creativity, communication, motivation, democracy, coordination, education, persuasion, advising, and broad representation of points of view.(77).

75.J. G. March and H. A. Simon, Organizations (New York: Wiley, 1958).

76.Samuel D. Deep, Human Relations in Management (London: Glencoe publishing Co., Inc., 1978), p.52.

77.Herbert G. Hicks and C.Ray Gullett, Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co.,1976), p.168.

5.The complexity of many decisions in terms of technology, industry change, employee's behavior...etc makes participation in decision making process more suitable for such situations than individual decision making.

6.When acceptance of decisions is important, involvement of more people is necessary to gain commitment in implementation.

7.Participation can create a sense that everyone within the firm is working to achieve common goals (a spirit of a cooperative working atmosphere).

8.Understanding of the company's decisions on the part of employees is likely to exist as a result of participation. Employees are likely to be satisfied with and support the decisions.

9.participation can serve as an effective communication device between the different levels of the organization.

10.Group can generate more ideas, accumulate more facts, and make more satisfactory decisions than individuals working alone.

11.A reduction in the number of grievances and peaceful manager-subordinate relations can be one result of a good participation programme.

12.It makes better utilization of employee's skills and capabilities.

13.An employee has the chance to express his opinion about and to influence decisions that will directly or indirectly affect them.

14.A participative management reflects one of the characteristics of modern human organization. In other words application of participation can give good image about the organization in the community .

15.Giving employees the chance to participate in decision making process can make them feel that they are important to the organization.

Disadvantages:

1.There is a possibility that not everyone in the group is heard because certain people may dominate the discussion and thus create limited opportunities for other members to express their opinion.

2. Giving employees the chance to participate in decision making process can take up more time to reach a final decision, and time wasting in profit seeking organization means less profits and in non-profit seeking organization means more costs.

3. Participation involves sharing of power under certain circumstances. Many managers are reluctant to abdicate some of their power to employees may be because they feel that such action will limit their scope of authority. These managers are likely to perceive their own power as a prerogative granted to them due to their high position in the hierarchy.

4. There might be a tendency for group members to evaluate suggestions as they appear, this process may inhibit a free flow of suggestions.

5. If the members of the participation programme are unqualified, unskilled...etc, or not interested in the participation programme, then their contributions to the decision making process are likely to be poor and limited.

6. Some decisions require high confidentiality. Participation in such decisions may expose the organization to high financial costs.

7. Since in participation the final decision is the group decision, this can cause split of accountability. Under certain circumstances, it might be difficult to determine who is accountable when things go wrong. This can be attributed to the fact that under participation the final decision is made by the group and not by any specific person.

We can conclude from the above advantages and disadvantages that participation is neither a panacea nor magic formula. If it is implemented properly it could lead to positive results and the opposite is, also true.

An organization that is concerned about its employees and wants to introduce a participative decision making process, has to consider carefully the prerequisites of a good participative decision making programme. Prerequisites of participation will be discussed below.

PREREQUISITES OF PARTICIPATION

There are basic requirements that should be considered carefully by the management in order to develop a practical participative decision making process. These fundamental requirements can be summarized as follows:

1. Managers who are reluctant to abdicate some of their powers and give their employees a chance to participate in and influence the decision making process, should change their behaviors and attitudes before they implement any participative decision making programme. Reluctance to power sharing can lead to poor participative programme.

2. The objectives of participation must be understood and accepted by all members concerned on a voluntarily basis.

3. Members should have access to all relevant information needed.

4. Group members should be given enough chance to express their opinions and feelings.

5. When an employee express his opinion, other members should listen to him and give him as much attention as possible so that he can feel what he is saying is important to other group members. listening is an important discipline whenever face to face discussion takes place.

6. Managers should support and encourage participation, and they should be participation oriented. Managers should hold theory Y assumptions about their employees. On the other hand, subordinates should favor participation. This can help in developing the desired participative culture.

7. Participative process can be managed by following systematic steps (78). These steps are (a) state the problem, (b) get some ideas from subordinates but do not evaluate them, (c) evaluate the alternatives, and (d) Choose a course of action (choice should be made on the basis of the highest quality and acceptance).

8. Specify a deadline whenever it is possible in order to avoid undue wasting of time and thus the desired consensus decisions are reached and implemented without any delay.

9. Reciprocal respect. Managers and employees should respect the opinions of each other.

10. Mutual trust. For superiors and subordinates to make real contributions there should be a mutual trust between them, otherwise every member may tend to hide information without which, the participative process might be nothing except a channel for meetings and discussions which make no real contributions towards the prosperity of the organization.

78. N. R. F. Maier, Problem Solving Discussions and Conferences: Leadership Methods and Skills (New York: McGraw-Hill, 1963).

11.Right members should be selected and involved in the participative process. Here we should consider the knowledge, intelligence, communication ability, experience, qualifications of the eligible members, employees who will be affected by the decisions..etc. During 1990 XYZ Bank could not market its visa cards and point of sale terminals as efficiently as YYY Bank did, mainly because members from completely unrelated departments were involved, and right employees were completely excluded from these projects. The outcome of these projects so far is chaos.

12.Personal frictions should be avoided as much as possible. The ultimate aim should be to raise constructive criticisms and not destructive ones, so that a cohesive group can be developed which can lead to a successful participation programme. Selecting of the right members as explained above can minimize personal frictions.

13.Managers should motivate those employees, who prefer to keep quite most of the time, to discuss and participate more. The idea is that the input of every employee is important. Besides, by encouraging employees to be involved more in the participative process, quite and lonely employees can be prevented from having any misconceptions about the needed participative programme.

14.The right type of Participation(ie formal, direct, informal...etc) should be selected and implemented for the right type of decision. For instance, a bank develops a committee consists of 12 employees in order to discuss and reach a decision relating to a minor or trivial procedure (a decision has to be made about which book, the white or the green, should be used for the deposits of cheques drawn on other banks). In this case, this bank is going to waste the time of his employees and the decision which will be reached by the committee may have no material benefits for all concerned parties (the bank, employees, and customers). Sometimes many of the participation benefits can be obtained informally rather than formally.

15.As a matter of fact, difference in the point of views is something that is natural when two or more persons are involved in the decision making process. To reach a compromise which can satisfy all parties involved, the final decision should be made on a democratic basis ie voting. However, once the final decision is made by the group, then all members should stick to it, and every member must do his best to implement the selected course of action, regardless whether he was voting against or in favor of the selected decision. We should always remember that participation in the decision making process does not necessarily lead to what the individual wants, but rather, it leads to what the group wants.

16.Periodic review and feedback are essential in order to discover any variances at an early stage so that the necessary corrective decisions, which has to be made again on a participative basis, can be made and implemented on the right time.

17.The size of the group is a very important issue to be considered. Type of the decision; number of people who will be affected by the decisions; time available to take the final decision; type and amount of the knowledge required in making the decision (for instance, engineering, forecasting, financing, and marketing expertises might be required to make a certain decision. We might need to involve two engineers, one financial analyst...etc in the decision making process); the importance of employees acceptance to the decisions; ...etc are some important factors that can play an important role in determining the size of the group.

18.Some managers use participation as a manipulative device through which they can mislead participators and get them to come up with the decision which they had at the first place. (79). Although participators believe that the decision was their own, this trick will not be successful in the long run. Mock democracy must be avoided completely so that employees' trust in participation can be maintained.

19.Timing of the meetings should be convenient to the majority, if not all, of members of the participation programme.

20.Willingness to accept constructive criticisms so that negative solutions can be rectified and avoided.

21.Managers should be management oriented, and should possess enough personal skills to know how to implement participation in decision making process.

The above prerequisites of good participation programme are suggestive rather than definitive. Under certain circumstances some of the above essential participation factors might be applicable, whereas the same factors might be impractical under similar circumstances but at different organizations, at different period of time ...etc. Each country, organization, department, and job is governed by specific factors which must be carefully considered in order to choose the right participation groundwork which can help the participation advantages to outweigh its disadvantages.

Before we shed the light on what is going on in XYZ Bank it is convenient at this stage to expose the implicit relationship between participation and motivation which is the main topic of the next section.

MOTIVATION & PARTICIPATION

MOTIVATION & PARTICIPATION

In management literature there are strong evidences about the existence of an implicit relationship between motivation and participation. Before we shed the light on those evidences, a definition of motivation and a brief coverage of the most famous motivation theories will be presented and discussed below in order to pave the way for the core or the main topics of this section.

DEFINITION OF MOTIVATION

"The word motivation comes from the Latin word movere, "to move."... Yet motivation involves more than just movement.... Motivation involves both physical and mental movement.... Motivation has two sides: movement and motive." (79).

A movement of an employee's hand while he is writing say a call report is a good example of physical movement. Before an employee started to write his call report he was trying to remember all the points that were covered and discussed during the meeting. Although in this case we can not see any physical movement, however, there is an invisible or internal motivation process which is a good example of mental movement.

We have to bear in mind that a movement can be seen, whereas a motive can only be concluded on the basis of our observations and all available information to us. An employee's motive behind writing a call report could be to meet a deadline, it could be to avoid punishment, it could be both or there might be a mixture of other motives.

HUMAN NEED THEORY

The need hierarchy model, developed by psychologist Abraham Maslow and adapted for use in Management by Douglas McGregor.(80). Maslow says that a man has five basic categories of need. Physiological, security, social, esteem, and self-actualization.

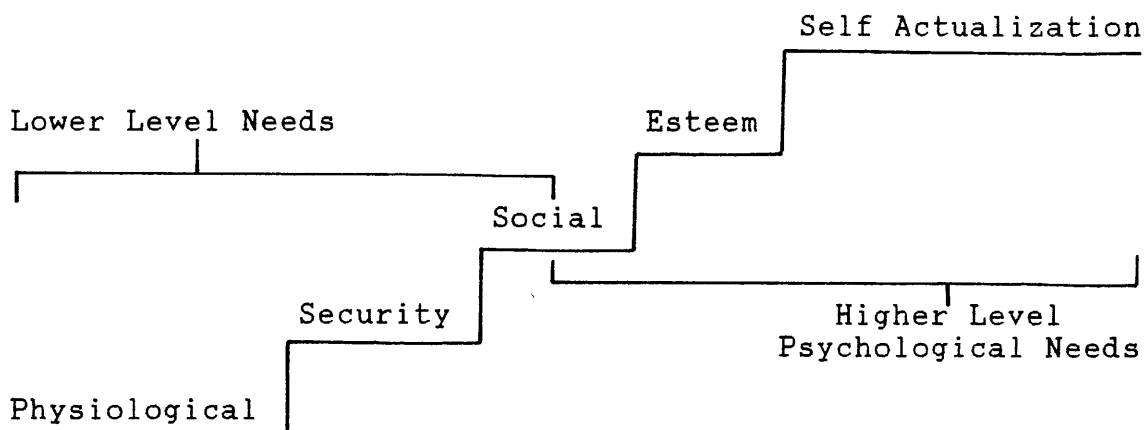
79.Richard M. Hodgetts, Modern Human Relations at Work, 2nd ed. (Chicago: The Dryden Press, 1984), p.36.

80.Gary Dessler, Management Fundamentals, 4th ed. (Virginia: Reston Publishing Company, Inc., 1985), p.278.

Physiological: Hunger, thirst, sleep...etc.
 Security: Protection, free from illness, free from fear of losing our source of income...etc.
 Social: Love, friendship, belonging to group...etc.
 Esteem: Esteem needs can also be termed "egoistic."
 Self-respect, recognition, prestige, status...etc
 Self-actualization: Meeting individual goals, achievement, realizing one's own full potential-to become all that one is able to become. Self-actualization takes place when skills and abilities are fully developed. This occurs at the peak of the person's career.

The above needs are illustrated in figure 5.

FIGURE 5 Maslow's Need Hierarchy



Maslow says that each need becomes active or arose only when the next lower need is reasonably satisfied.

HERZBERG'S TWO FACTORS THEORY (HYGIENES AND MOTIVATORS)

Herzberg concluded that there were two vital kinds of factors in any job: hygiene and motivator.(81). He believes that the factors (which he calls hygienes) that can satisfy lower level needs are different from those (which he calls motivators) that can satisfy a person's higher level needs.

81.Gary Dessler, Management Fundamentals, 4th ed. (Virginia: Reston Publishing Company, Inc., 1985), p.283.

He says that if hygiene factors (like better working conditions, salary, and supervision) are inadequate, employees will become dissatisfied. Since lower level needs are quickly satisfied, hygienes are only good for preventing dissatisfaction. Offering more hygienes (like salary) is an inefficient way to encourage motivation. On the other hand, says Herzberg, "job content" or "motivator factors" (like opportunities for achievement, recognition, responsibility, and more challenging job) can motivate employees, these needs are never completely satisfied and for which most people have an infinite craving.

EQUITY THEORY

Employees feel satisfied when their input/outcome ratios are in balance with the input/outcome ratios of their comparison person. Employees become dissatisfied when their input/outcome ratios are greater than or less than those of their comparison persons.(82). The equity theory assumes that employees are strongly motivated to maintain a balance between what they perceive as their inputs and their rewards. Basically, the equity theory states that if a person perceives an inequity, this will affects his motivation and contributions to the organization in which he works. As a result his performance is likely to diminish in order to reduce the perceived inequity. In fact, an employee tries to keep a balance between his input and rewards so that an inequity is minimized as much as possible.

EXPECTANCY THEORY

the expectancy theory was developed by Victor Vroom (83), and has been expanded and refined by Lyman Porter and Edward Lawler.(84). Vroom's motivation formula is a simple yet powerful one that can be expressed as follows:

Motivation = Valence X Expectancy

82.J.S. Adams,"Inequity in Social Exchange," In L, Berkowitz,"Advances in Experimental Social Psychology," Vol.2, New York: Academic Press.

83.Victor H. Vroom, Work and Motivation (New York: John Wiley & Sons, Inc., 1964).

84.Lyman W. Porter and Edward E. Lawler, Managerial Attitudes and Performance (Homewood,III.: Richard D, Irwin, Inc., and the Dorsey Press, 1968).

A good interpretation of this formula is provided by Richard Hodgetts (85). This interpretation is presented below.

Valence:

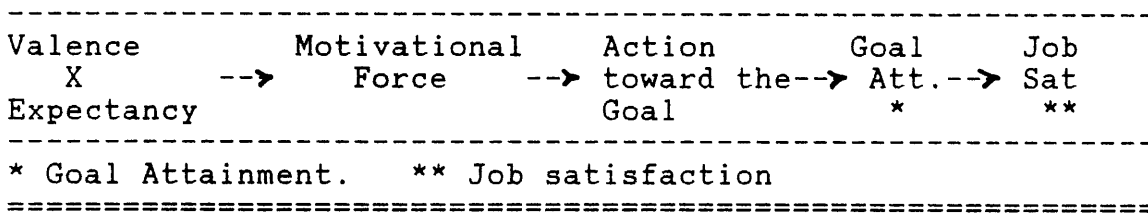
"A person's preference for a particular outcome can be expressed as a valence." For instance, Bob wants a promotion to the New York Office. On a scale from -1 to +1, his valence is +1. Suzy, is indifferent to the idea of promotion to the New York office. Her valence is 0. Tom, however, will not take a promotion to the New York office under any conditions. His valence is a -1.

Expectancy:

"A person's perception of the probability that a specific outcome will follow a specific act is termed expectancy." Using the above example, if Bob feels that the highest efficiency rating will give him a good chance to get the promotion to New York, then he will assign high probability such as .99. If Bob feels that highest efficiency rating will help, but the personal relationship with the boss is the most important criterion upon which the promotion is determined, here he may assign a probability such as 0.50. Finally, if Bob thinks that the highest efficiency rating will deprive him from getting the promotion to New York, this is because the management is most likely to retain good workers in the head office rather than transferring them abroad, here Bob may assign a probability equal to 0.01.

The result of multiplying the valence by expectancy will determine the motivational force. A model of expectancy theory is shown in figure 6.

FIGURE 6 A Model of Expectancy Theory



Having defined the motivation concept and presented a brief coverage of the prominent motivation theories, evidences from the literature about the relationship between motivation and participation will be presented below.

85. Richard M. Hodgetts, Modern Human Relations at Work, 2nd ed. (Chicago: The Dryden Press, 1984), pp.53-58.

LITERATURE EVIDENCES

Samuel D. Deep (86): Samuel described in his book, Human Relation in Management, five types of leadership styles that can play an important role as motivational approaches. These five motivational approaches are: (1) directiveness, (2) Paternalism, (3) compromise, (4) competition, and (5) participation.

Directiveness: The boss makes the decisions and subordinates must accept, obey, and implement the decisions or instructions as dictated by the boss. Fear from the boss to reduce their salaries, fire them, freeze their promotions, cancel their training programs...etc, are the main motivators that force subordinates to work.

Paternalism: The basic assumptions of paternalism are: (1) To gain employees loyalty the superior has to be good to them, (2) Make employees happy and feel that they are important members of the organization. Motivation can be in the form of considerate supervision, good working conditions, fair salaries...etc. The ultimate target of paternalism leadership is to increase productivity through increasing employees morale.

Compromise: Here the work conditions to some extent are agreed upon by both managers and subordinates. This style of leadership more or less gives subordinates a chance to influence decisions that affect them. Avoidance of employees' resentment in order to encourage higher efficiency is an indispensable assumption of the compromise approach. Compromise ignores higher-order (growth) need.

Competition: Here money and the esteem need for recognition are important factors that can lead to high productivity. Creating competition among the employees concerned is the motivational device that is applicable under this type of motivational approach. This motivational device is common among salespeople.

Theory X assumptions are the common denominator of directiveness, paternalism, compromise, and competition.

86.Samuel D. Deep, Human Relations in Management (London: Glencoe Publishing Co., Inc., 1978), pp.46-54.

Participation: participation is based on theory Y assumptions. Here employees are given a chance to influence decisions that will affect them.

What is important is that Samuel argues that "motivation through participation facilitates satisfaction of the growth needs in Maslow's hierarchy, especially those for esteem and self-actualization. Workers are more likely to experience a sense of accomplishment when they have had a say in the conditions of their employment." Samuel believes that participation is the most effective motivational approach with workers to whom job satisfaction is important.

The principle of integration-"the creation of conditions such that the members of the organization can achieve their own goals best by directing their efforts toward the success of the enterprise," is a very important principle which was developed by McGregor in his landmark book, *The Human Side of Enterprise*. The principle of integration derives from Theory Y. When employees can simultaneously satisfy their own needs as well as those of the organization, we can infer that a positive working environment exists. In fact, the objective of creating sound human relations in the organization is to facilitate simultaneous satisfaction of both important human needs and organizational objectives. "Participation which grows out of the assumptions of Theory Y offers substantial opportunities for ego satisfaction for the subordinate and thus can affect motivation toward organizational objectives. It is an aid to achieving integration." (87).

Participation is a good motivational device that can satisfy the individual's basic needs for involvement in affairs that affect him or her. (88).

Under the classical theory each worker is assumed to be the classical "economic man", interested in maximizing his monetary income. Workers were perceived as lazy and lacking self-discipline. Unless workers told how to behave properly they would by definition behave inappropriately. These Theory X assumptions emphasized the importance of exercising intensive control on workers (rigid scalar principle).

87. Douglas McGregor, The human Side of Enterprise (Singapore: McGraw-Hill Book Co., 1960), pp.49-130.

88. A Handbook of Personnel Management Practice (1985).

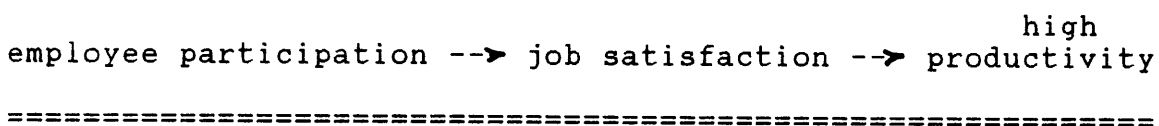
On the other hand, the human relationists illustrated that people were motivated by other factors than money solely. Leadership style, informal aspects of an organization, prevailing internal organizational culture, relationships among employees themselves and between employees and their supervisors...etc are some factors, in addition to money, which play an important role in motivating employees. The hawthorne experiments concluded that economic motivation (pay) was not the sole source of productivity. The hawthorne experiments laid the groundwork for modern theory in the following area:

- 1.The effects of an organizational culture in the workplace.
- 2.The impact of working conditions on employees motivation.
- 3.The effects of leadership style on motivation.
- 4.The effects of social and psychological factors on worker's motivation.(89).

Point No.3 indicates that the type of leadership, ie. autocratic leadership, laissez faire leadership, democratic leadership, and participative leadership, affects worker's motivation.

The human relation school is more concerned with morale building and maintenance of social interactions. The model for Humanistic approach is shown in figure 7. (90).

FIGURE 7 Humanistic Approach Model



The Hawthorne studies suggested that more satisfied employees can produce more. From figure 7 we can conclude that an employee participation in decision making can boost his morale which in turn can result in high productivity.

89.Carl R. Anderson, Management Skills, Functions, and Organization Performance (New York: Wm. C. Brown Publishers, 1984), p.43.

90.Leon C. Megginson, Donald C. Mosley, and Paul H. Pietri, Jr., Management Concepts and Applications (New York: Harper & Row, Publishers, 1983), p.72.

The benefits that can result from participation in decision making include increased morale and job satisfaction which can lead to lower turnover and absenteeism, less conflicts, higher efficiency; lower costs...etc. Likert System 4, Theory Y, and Mature Employee are strong evidences of how participation can positively affect morale, job satisfaction and performance which are indispensable elements of motivation theories. Likert, McGregor, and Argyris believe that to motivate people and get them accept decisions so that a successful implementation is achieved, employees should be involved and encouraged to participate in the decision making process so that they perceive the selected course of actions as their own.

"In general, people will be more motivated in jobs which have some variety, closure, importance, feedback, and a chance for individual input." (91).

When workers are given the chance to participate in performance-appraisal, they will be less defensive in evaluating their own performance and they will be highly motivated to reach the agreed-upon goals. Participation in decision making process tends to affect both the aspirations and motivations of the workers.(92).

George Strauss (93) argues that high wages, fringe benefits, and good working conditions in themselves are not a complete answer to motivation problem. A critical examination of five motivational techniques: (1) group incentives, (2) profit sharing, (3) suggestion systems, (4) employee-management and union -management consultative committees, and (5) the Scanlon Plan, was conducted. The main conclusions can be briefly summarized as follows:

1.Group incentives and profit sharing aim for greater cooperation among employees.

2.Suggestion systems and consultative committees aim to enhance communication between the different levels of management.

3.Both objectives (1 + 2 above) are sought by the Scanlon Plan and by the "workers participation" schemes.

91.Terence R. Mitchell, People In organizations, 2nd ed. (Singapore: McRaw-Hill Book Company, 1985), p.220.

92.Ibid., 524-525.

93.George Strauss, Personnel: The Human Problems of Management, 3rd ed. (London: Prentice-Hall International, Inc., 1972), pp.636-648.

Strauss believes that the above participative and motivational techniques have a dual purpose: "(1) to increase productivity and (2) to improve morale by giving employees a feeling of participation in and identification with their company." He also argues that under certain conditions participative techniques may provide merely hygienic management rather than positive motivation to work.

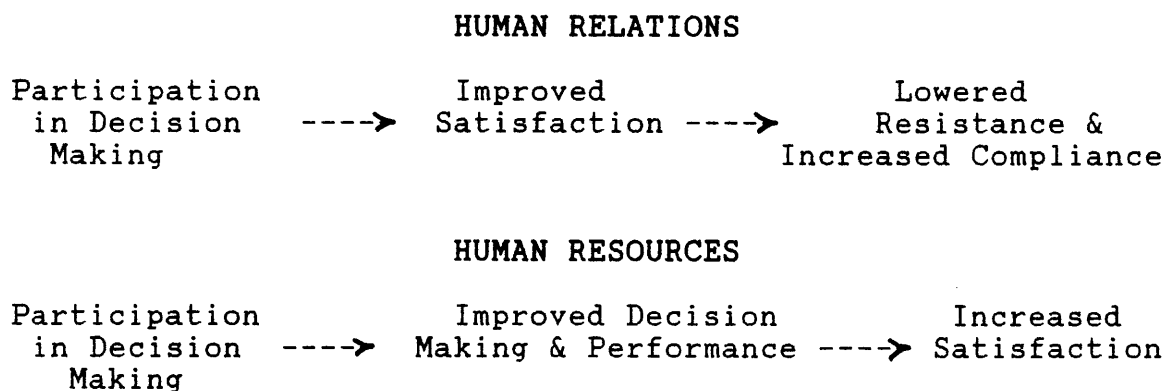
"It is suggested that participation tends to bring about a coincidence of formal and personal goals." (94).

Miles Raymond suggested that there are two models of participatory management: the human relations model and the human resources model.(95). The human resources approach differs with the human relations approach in three key areas. Human resources approach emphasizes the following:

- 1.All organizational members are seen as valuable resources.
- 2.The purpose of participation is to enhance decisions and increase productivity rather than to reduce employees resentment or resistance.
- 3.Job satisfaction is resulted from improved decisions and higher productivity.

The two models are illustrated in figure 8.

FIGURE 8 Two Models of Participatory Management



=====

94.Robert Tannenbaum and Fred Massarik, "Participation By Subordinates In The Managerial Decision-Making Process," The Canadian Journal of Economics and Political Science, Vol.16, No.3, August 1950, p.414.

95.Miles Raymond," Human Relations or Human Resources?" Harvard Business Review, 1965, Vol.43, pp.148-152.

The human resources approach follows the assumptions of McGregor's Theory Y and Likert's System 4, encourages employees participation in decisions that will affect them, and it proposes that increased participation in decision making will result in improved decisions and higher productivity which will in turn result in higher job satisfaction.

On the basis of the above presentation of literature evidences we can expose the implicit relationship between motivation and participation through summarizing the most important evidences. These evidences are presented in Table 4.

TABLE 4 Evidences of the Existence of Relationship between Motivation & Participation

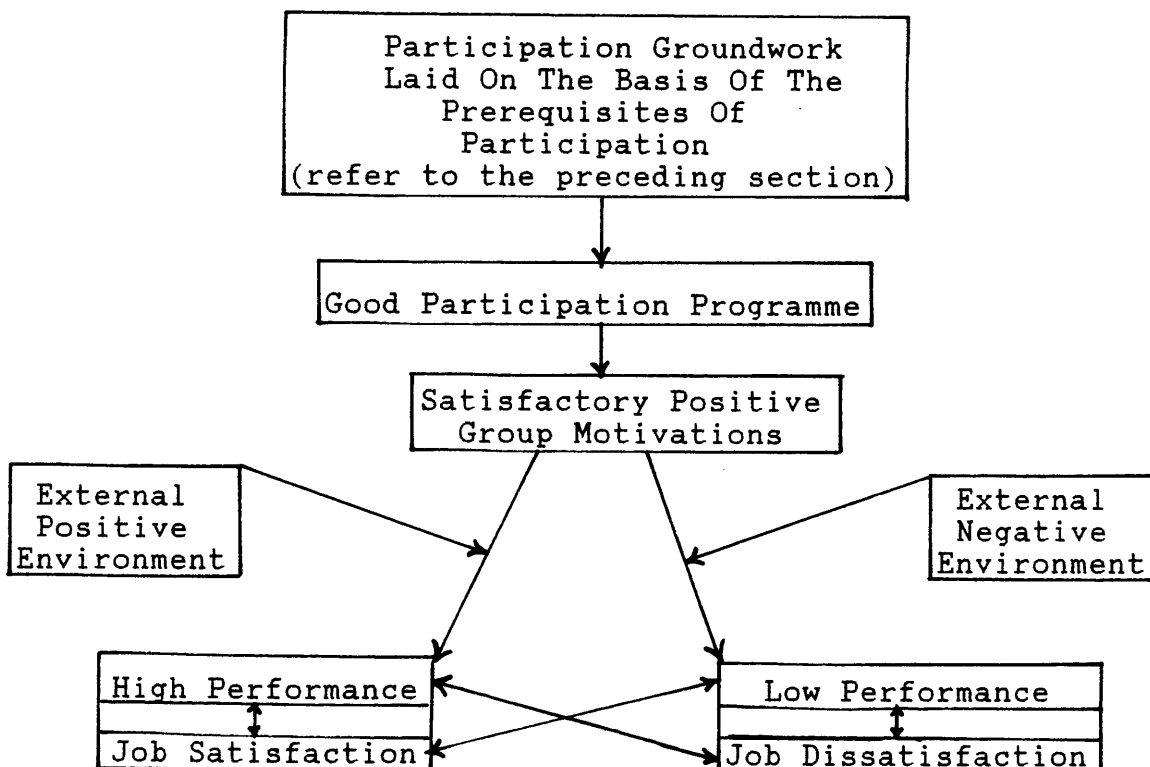
-
1. Participation can satisfy individuals basic needs.
 2. Participation can satisfy esteem needs and self - actualization goals.
 3. Participation brings coincidence of formal and informal personal needs. It is an aid to achieve integration.
 4. Participative leadership style affects individual's motivation in general.
 5. Participation facilitates employee's acceptance which play an important role in motivating him or her.
 6. Participation affects the aspirations and motivations of workers.
 7. Good internal cooperation and communication among employees which can be created by participation can play an important role in determining their motivations.
 8. Participation can provide hygienic management.
 9. Participation can be an efficient motivator factor.
 10. Participation can improve morale.
 11. Participation-->job satisfaction-->higher productivity
 12. Participation-->job satisfaction-->lower resistance
 13. Participation-->higher performance-->increased satisfaction
-

It is important to mention here that although the above evidences support the existence of the relationship between motivation and participation, there are other evidences in the literature which to some extent are in contrary to what have been mentioned above. For instance, Locke and Schweiger (96) argue that participation is not the only method an organization can use to motivate employees. Money, goal setting with feedback, and job enrichment are other three important motivational techniques. They believe "if an organization based its decisions solely on whatever employees desire to have rather than on reason and logic, it would soon go bankrupt. Applied on a wide scale, the result would be mass poverty." Although the negative evidences are not related to the scope of this project, bearing in mind these evidences is important to reach a neutral conclusion.

OPEN PARTICIPATION & MOTIVATION MODEL

On the basis of the information which have been collected and presented in this section and preceding sections, an Open Participation & Motivation Model could developed in figure 9.

FIGURE 9 Open Participation & Motivation Model



96. Edwin A. Locke and David M. Schweiger, "Participation In Decision-Making: One More Look," Research in Organization Behavior, Vol.1, 1979, pp.265-328.

The open participation & motivation model says that if we consider carefully the prerequisites of participation such as willingness to share power, participative culture, right members, discussing right subjects or decisions, specifying a deadline, mutual trust, mutual respect...etc, as discussed in the previous section, it is most likely that a participative groundwork laid on these prerequisites will result in a good participation programme. If we succeed in developing a good participation programme then the members of this programme are likely to enjoy low resistance towards the selected course of actions, and high morale, because they can feel that they are an indispensable part of the participative decision making process. These possible facts can result in positive motivations towards the organization's objectives in general and the members' respective goals in particular. Until this stage rational or systematic relationships between participation groundwork, participation programme, and motivation can be assumed. However, at the next stage the relationships between the remaining factors tend to be ambiguous and contingent upon the prevailing specific factors. Before we discuss the possible relationships it is important to understand what is the meaning of high performance and job satisfaction. Simple definitions of these two factors are:

Job Satisfaction: means that important informal needs and formal goals are fulfilled through the performance of one's work. This definition does not imply that both needs and goals should be satisfied together. Under certain circumstances job satisfaction may take place when informal goals are achieved. On the other hand, it may occur when the formal goals are fulfilled.

High Performance: A positive variance that occurs when the actual performance exceeds the standard performance.

In reality there are several possible positive and negative relationships that can take place between performance and satisfaction. The following possibilities can help us to understand what can happen in reality:

Possibility No.1: High performance may lead to job satisfaction.

Possibility No.2: Job satisfaction may lead to high performance.

Possibility No.3: There might be no relationship between performance and satisfaction.

Possibility No.4: Low performance may lead to job dissatisfaction.

Possibility No.5: Job dissatisfaction may lead to low performance.

Possibility No.6: There might be no relationship between low performance and job dissatisfaction.

Possibility No.7: High performance may lead to job dissatisfaction.

Possibility No.8: Job dissatisfaction may lead to high performance.

Possibility No.9: There might be no relationship between high performance and job dissatisfaction.

Possibility No.10: Low performance may lead to job satisfaction.

Possibility No.11: Job satisfaction may lead to low performance.

Possibility No.12: There might be no relationship between low performance and job satisfaction.

Developing an example to each possibility can help to understand the nature of the relationship between performance and satisfaction.

Example No.1: An achievement of 10% increase in interest revenue from the Borrowing Accounts Portfolio could make the concerned accounts relationship manager satisfied because of the following possibilities:

1.Since formal target (10% increase in interest revenue) had been achieved, the accounts relationship manager would expect to get higher increment, immediate promotion...etc. Expectancy Theory might work out very well here.

2.The accounts relationship manager might be satisfied because he felt that he became an important member in the department. Other members started to perceive him as an intelligent and a dynamic member.

It is possible for job satisfaction to take place because of reason No.1 only (material inducements are more important to the employee than anything else), or reason No.2 only (nonmaterial inducements are more important to the employee than anything else).

Example No.2: An employee is satisfied with his job because he receives a fair salary in comparison to other staff and the market rate; he works under comfortable working conditions; he gets good training; his job reflects good image about him in the community; he perceives his goals as

realistic and attainable...etc. The Equity Theory might work out very well here. This employee is likely to put more efforts towards achievement of the organization's targets, and as a result higher performance might be the final consequence.

Example No.3: An achievement of a 10% increase in interest revenue from the Borrowing Accounts Portfolio was mainly because of the general increase in interest rate level which was initiated by the Bahrain Monetary Agency. In this case this higher performance could not be attributed to the accounts relationship manager's satisfaction. In fact, favorable changes in the external environment caused higher performance which might lead to job satisfaction.

Example No.4: The opposite of example No.1 is applicable here. Not achieving a 10% increase in interest revenue from the Borrowing Accounts Portfolio could make the concerned accounts relationship manager dissatisfied because of the following possibilities:

1. Since formal target was not achieved, this would result in lower increment, no promotion...etc.

2. The accounts relationship manager might be dissatisfied because he felt that he became not an important member in the department. Other members started to perceive him as a stupid and static member.

It is possible for job dissatisfaction to take place as a result of reason No.1 (material inducements are more important to the employee than anything else), or reason No.2 only (nonmaterial inducements are more important to the employee than anything else).

Example No.5: The opposite of example No.2 is applicable here. An employee is dissatisfied with his job because he receives unfair salary in comparison to other staff and the market rate; he works under uncomfortable working conditions; he gets poor training; his job reflects bad image about him in the community; he perceives his goals as unrealistic and unattainable...etc. Equity theory might work very well here. This employee is likely to put less efforts towards achievement of the organization's targets, and as a result lower performance might be the final consequence.

Example No.6: The opposite of example No.3 is applicable here. Not achieving a 10% increase in interest revenue from the Borrowing Accounts Portfolio was mainly because of the general decrease in the interest rate level which was initiated by the Bahrain Monetary Agency. In this case, this lower performance could not be attributed to the accounts relationship manager's dissatisfaction. In fact, unfavorable

market changes caused low performance which might lead to job dissatisfaction.

Example No.7: High performance can lead to job dissatisfaction when the performance of your own efforts is credited to someone else who might be your enemy, main competitor, or even your colleague.

Example No.8: Under certain or exceptional circumstances, although an employee is dissatisfied because his boss perceives him as incompetent, he puts tremendous efforts towards the organization's goals in order to achieve high performance, so that he can prove his capability and change the misconception which his boss holds about him.

Example No.9: High performance and job dissatisfaction may take place independently. An achievement of a 15% reduction in general & administration expenses was mainly because of the general decrease in the insurance premium level. In this case this higher performance could not be attributed to those dissatisfied employees who worked hard to prove their abilities. This favorable change in the external environment caused higher performance which can result in the employee's dissatisfaction because of the reason mentioned in example No.7.

Example No.10: Lower interest revenue than the expected level from the Borrowing Accounts Portfolio made the concerned accounts relationship manager satisfied because he believed charging a fair rate of interest to all customers is an important social and humane action which should be applied across the board when the country is encountering a severe recession and unstable political atmosphere.

Example No.11: Do you believe that under certain circumstances your high performance leads to prove that you are incompetent, below standard, unqualified, and not professional?. When this happens to you, though you are satisfied with your job, this unfortunately might be translated into lower performance. A good example from XYZ Bank will be given in the next section.

Example No.12: Low performance and job satisfaction may occur independently. For instance, Low performance occurred mainly as a result of frequent machinery breakdowns. In this case, lower performance could not be attributed to those employees who were satisfied but put less efforts towards the desired targets because of reason mentioned in example No.11. Low performance as a result of unfavorable external environment is another example which can be used here to explain the independent occurrence of low performance and job satisfaction.

CONCLUSIONS

1.Sound participation groundwork can lead to a good participation programme.

2.A good participation programme is likely to produce the following positive motivational effects:

a)Employees can have a chance to express their feelings and talk about problems concerning their salary, working conditions, supervisory style...etc. Since participation can help them in solving such problems or at least give them the hope that something about these lower needs can be done. Participation can help in satisfying hygiene factors or employees' lower level needs.

b)Since employees under a good participation programme can influence decisions that affect them, this means that superiors are willing to share their power with their subordinates. The sharing of power can give employees the feeling and sense of responsibility which is one of Herzberg's motivator factors. When the collective course of action is implemented and led to high performance, this could give employees the feeling of achievement which is a satisfaction of one of the employees' higher level needs.

c)Participation can give employees a chance to express their preferences (valences). For instance, top management of XYZ Bank wants to open a new branch in London. Top managers called employees and solicited their inputs about the decision concerning the recruitment for this branch. After a long discussion the group came up with two courses of action: (1) transfer some employees from the head office, or (2) recruit new employees. Employees who prefer to go to London are likely to vote for alternative No.1. Other members might be indifferent or they might vote against or in favor of option No.1. Thus under a good participation programme employees' preferences can be satisfied or at least affect the final decision.

d)Participation can help employees assign more satisfactory probabilities (expectancies). For instance, those employees who participated in the decision concerning opening a branch in London (c above) are more likely to know what acts are necessary to get the transfer to London, and thus they can assign more accurate probabilities to these acts than those employees who were not involved in the participative process.

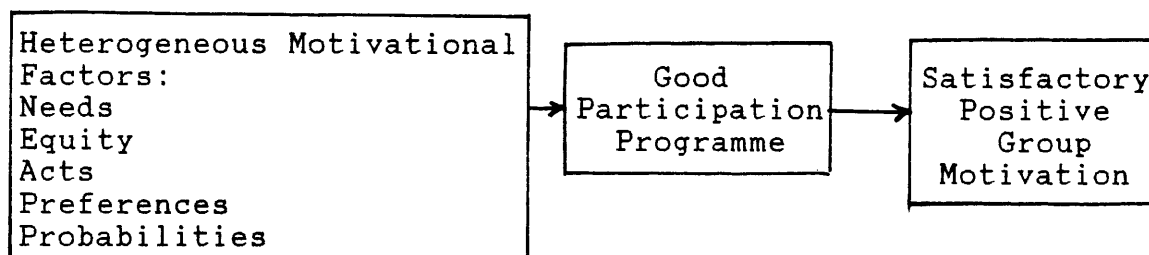
e)Under good a participation programme, employees can strongly talk about their rights. Particularly, when there is inequity. For instance, employee A can criticize the

salary policy of his company when employee B who is doing exactly the same job is receiving higher salary. Thus participation can help to achieve equity.

f) Reduced employees' resistance to the selected course of action, and high morale because employees through participation can feel that their inputs are important, are some of the benefits of good participation programme which can be translated into positive motivation forces.

3. The above first five points under (2) above indicate that an employee has lower and higher level needs for which he seeks satisfaction; he seeks equity; he likes management to take decisions that he prefers; and he needs to know what acts, and the probability that these acts will lead to the outcome of the preferred decisions. Needs, equity, preferences, acts and probabilities can not be considered for each individual separately when we are talking about an organization which consists of a number of employees who have heterogeneous needs, preferences...etc., which must be considered together in order to achieve harmony between the efforts of all people who are working in the same organization. Participation can be one of the motivational devices that can help accommodate these heterogeneous motivational factors and result in satisfactory positive group motivation. The implicit process between a good participation programme and satisfactory positive group motivation as shown in figure 9 can be illustrated in figure 10.

FIGURE 10 The Process Between Good Participation Programme and Satisfactory Positive Group Motivation



4. Positive motivation can not guarantee high performance. This is because high performance is not solely affected by employees' motivation, but by the external environment as well.

5. Systematic relationships between high performance and job satisfaction on one hand, and low performance and job dissatisfaction on the other hand are difficult to be assumed. In real life positive and negative, dependent and

independent relationships between these factors are likely to exist. The nature of an employee's motivation (positive or negative; material or nonmaterial...etc), internal environment factors (relationship between superior and subordinates, culture...etc), external environment factors (change in the market' interest rate, increase in insurance premium, new government regulations...etc), and the period of time during which the reactions between these factors exist can play an important role in determining the nature and sequence of the relationships between high performance and job satisfaction on one hand, and low performance and job dissatisfaction on the other hand. We should not overlook that in reality it is possible for high performance and job satisfaction to occur simultaneously.

We can conclude from the above analysis and presentation that the Human Need Theory, the Two Factors Theory, the Equity Theory, and the Expectancy Theory help us to understand individual's motivation, whereas Open Participation & Motivation Model helps us to understand group motivation and the effects of external environment on the performance, job satisfaction and motivation of the employees.

Is participation good for XYZ Bank?

What type of participation can be recommended to XYZ Bank?

To answer these two questions we have to diagnose the problems and analyze the questionnaires in order to come up with satisfactory answers. The next two sections cover these two topics in succession.

MAIN PROBLEMS OF XYZ BANK

MAIN PROBLEMS OF XYZ BANK

The Marketing & Credit Department, The Current Department, and The Letter of Credit Department are the representative departments that are covered in this project in order to test the viability of the concept of participation in decision making.

The Marketing & Credit Department consists of the Corporate Banking Unit, the Corporate Collection Unit, the Retail Banking Unit, and the Retail Collection Unit.

Almost 65% of the total assets (loans) of XYZ Bank is handled by the Marketing & Credit Department. The Current Department and Letter of Credit Department reflect two important operational activities in any commercial bank. The total number of employees in these three departments is approximately 140 employees. Thus the selected departments are important and vital departments of XYZ Bank.

Some of the main problems and cases that could be extracted from XYZ Bank will be briefly discussed and presented below.

EMPLOYEES SALARIES & GRADES

Recently the management of XYZ Bank appreciated the importance of introducing a job evaluation system to achieve internal equity, external equity, and employees' satisfaction. This appreciation came up when the top management of XYZ Bank noticed that the employees were receiving much lower salaries than the prevailing market rates. Besides, there were large and unjustified internal differences and inconsistencies in the salaries of the employees.

This observation has initiated an important human move towards achieving internal equity, external equity and employee's satisfaction. The bank followed a process of reevaluating all positions in order to allocate the appropriate grades and pay the right salaries.

To achieve the desired targets the management made the following decisions:

- 1.Implementation of Point Factor System or Point Method of Job Evaluation.
- 2.Setting up a job evaluation committee.
- 3.Instructing each department's manager to prepare a

detailed job description for each job under his department and submit job descriptions of all jobs to the job evaluation committee for the necessary reevaluation and regrading.

The main responsibilities and roles of the members of the job evaluation committee were as follows:

1.To understand and implement the job evaluation system as efficiently as possible.

2.To receive job descriptions from the committee's secretary and read them as thoroughly as possible in order to understand the jobs which would be evaluated or reevaluated.

3.The members of the job evaluation committee should return the job description of any job if mistakes or discrepancies were found.

4.To compare each job description to the job evaluation manual and assign point values to each factor / subfactor.

5.Add the point values which were assigned to each factor / subfactor in order to reach the total point values for the job.

6.Determine the grade of the job.

7.Send evaluation forms to the committee's secretary who would consolidate all grades that have been determined individually by the members of the committee.

8.Every member of the committee must attend the monthly meetings to determine the final grade of each job.

During the period between December 1989 and January 1990 I conducted a research in order to analyze the effectiveness of XYZ Bank's job evaluation system. This research was conducted in order to prepare a term paper which was one of the requirements of Human Resources Development course (MGT 518) conducted by Dr. George K. Najjar.(97).

A questionnaire to cover three main areas (equity, satisfaction, and participation) was designed. Fifty respondents from different departments and branches were selected and approached. Those fifty respondents form a reasonable representative group upon which satisfactory analysis and conclusion could be reached.

Research findings are presented in table 5.

97.Jamal Mohammed Hijres, Job Evaluation System of X.Y.Z. Bank, Human Resource Development Course (MGT 518), 1989 - 1990.

TABLE 5 Research Findings

% of Respondents	Answers
=====	
(A) EQUITY	
60	Received unfair salary.
40	Received unfair salary vis-a-vis other staff in the same positions.
90	Received salaries that were below the market rates.
70	Were unsatisfied with their grades.
55	Had unfair grades vis-a-vis other staff in the same department and other departments.
33	Believed that their job descriptions did not reflect their actual duties.
27	Were overqualified for their jobs.
80	Had more experience than their jobs actually require.
100	Were not compensated for their overqualifications.
100	Were not compensated for their extra experiences.
90 to	Believed that the bank has conducted a survey to determine the salary market rates.
(B) SATISFACTION	
65	Were dissatisfied with their jobs.
(C) PARTICIPATION	
100	Did not participate in the development of the job evaluation system.
88	Did not participate in the development of their job descriptions.
80	Confirmed that their immediate superiors were not representing them in the job evaluation committee.

Conclusions:

65% of the respondents were dissatisfied with their jobs. Their dissatisfaction could be attributed to the below mentioned reasons that had been concluded from the respondents' answers to other open ended questions which were also included in the questionnaire.

1.The new comers (employees) who perform the same jobs as old employees were receiving higher salaries than the old employees who had more experience and higher qualifications. The management's argument for this internal inequity was that "to recruit new employees the bank should pay the prevailing market rate."

2.The top management appreciated that most of the old employees were underpaid and that their salaries were far lower than the market rate. Although the top management had developed a salary scale that represented for each job the minimum salary, average salary, and maximum salary, most of the old employees' salaries were far below the minimum scale.

3.Job descriptions did not reflect the actual duties of many employees.

4.New grades were perceived as demotions rather than promotions by many employees.

5.The job evaluation system did not provide any material or nonmaterial concessions for the employees' over qualifications and extra experiences.

6.Neither employees nor their immediate superiors had participated in any stage of the development of the job evaluation system.

7.The job evaluation committee did not function well because it consisted of wrong members and its authority was extremely limited due to some bureaucracy restrictions that were imposed on its horizon of activities.

WORKING CONDITIONS

Offices and parking facilities are only two of several cases that will be presented here.

Although the nature of the job in the Marketing and Credit Department requires privacy, concentration, and continuous internal and external contacts, all accounts relationship managers, without exception, have neither offices nor direct telephones. On the other hand, assistant managers in other departments whose jobs do not require any contacts with the bank's customers, and whose jobs require less privacy, unfortunately, have offices, direct telephones and even secretaries.

One day an assistant general manager called seven managers (all old employees who served the bank for more than 10 years approximately) and asked them to return their plastic parking cards which were given to them by the bank's

management and which allow them to park their cars in the bank's basement. The basis upon which this decision was made is that some of the new employees have been promoted to managers recently, and since there was no enough room in the basement to accommodate more cars, it was decided to withdraw the plastic parking cards from the old managers in order to maintain an equity between all employees.

During the meeting one of the old managers addressed the following questions to the concerned assistant general manager:

1. Why the principle of equity was not applied when the top management made their own decisions in respect of the differences in salaries between old employees and new comers?. In other words, why the top management accepted and neglected the existing inequity between the salaries of old employees and new comers?.

2. Why the new assistant managers have more concessions than old managers in terms of offices, direct lines and secretaries?. Why the principle of equity was not applied here?

When the concerned assistant general manager tried to answer these questions by giving silly answers and irrelevant points, one of the other managers said that "I think favoritism towards the new employees who were employed on the basis of nepotism is the right answer to my colleagues questions."

At the end, these seven managers were forced to return their plastic parking cards. Since they did not have any other options, they are still working under terrible working conditions and still struggling to find someone to listen to to their own problems and appreciate the impact of these problems on the performance of this bank.

ADDITIONAL WORKING HOURS

In the Marketing & Credit Department expatriates and some of the Bahraini employees have flexible timing options in respect of the required additional two working hours. On the other hand, the majority of employees must continue working for two additional hours, after the normal working hours, five days a week. It seems that the second group of employees were unhappy with this continuous normal and additional working hours attendance. As a result of their resentment a meeting with the top management was held to discuss the employees' requirements. After a long and boring

discussion, and in response to the request of the majority of employees to have flexible timing option with regard to the required additional two working hours, the final answer of the top management was that "we trust expatriates to come back in the afternoon but we can not trust you to come back to work once you go home."

TRAINING

One day one of the top managers called two of his staff who were studying at the expense of their own time at the Bahrain University and asked them strongly to drop their courses because the bank has decided not to sponsor their studies any more. The basis upon which this decision was made was that, studying at the University is a personal thing and the courses which are conducted by the university have no direct benefits to the banking field which is a specialized field. Unfortunately, this happened to staff who had good performance in all courses that they have attended at the University.

DEPARTMENTAL GOALS

Goals for the Marketing and Credit Department are developed and formulated at the ivory tower of the top managers and then circulated by their secretaries to get the acceptance of the concerned employees who unfortunately work in vacuum. Management By Objectives is something unknown to the professional managers of X.Y.Z. Bank.

PERFORMANCE APPRAISAL

Since the goals as explained in the above managerial problem are developed within the four walls of the ivory tower of the senior managers and then imposed on the employees who must achieve them, the employees performance in most cases were below the desired unilateral targets. As a result employees bonuses, increments, promotions, and other incentives have been unfair in comparison to other departments. Once the performance appraisal is written it is rarely changed.

MARKETING & CREDIT DEPARTMENT BUDGET

On 14th September 1990 the employees received a memo and budget forms only, no other information or guidelines were received. The memo instructed them to keep all works aside and prepare the budget for 1991 immediately. The deadline

was 15th September 1990. One day was the grace period to prepare one of the most difficult budgets in the bank. After two months it was decided by the management to cancel the budget for 1991 because it was rubbish. One month later it was decided to accept the same budget!

BUREAUCRACY

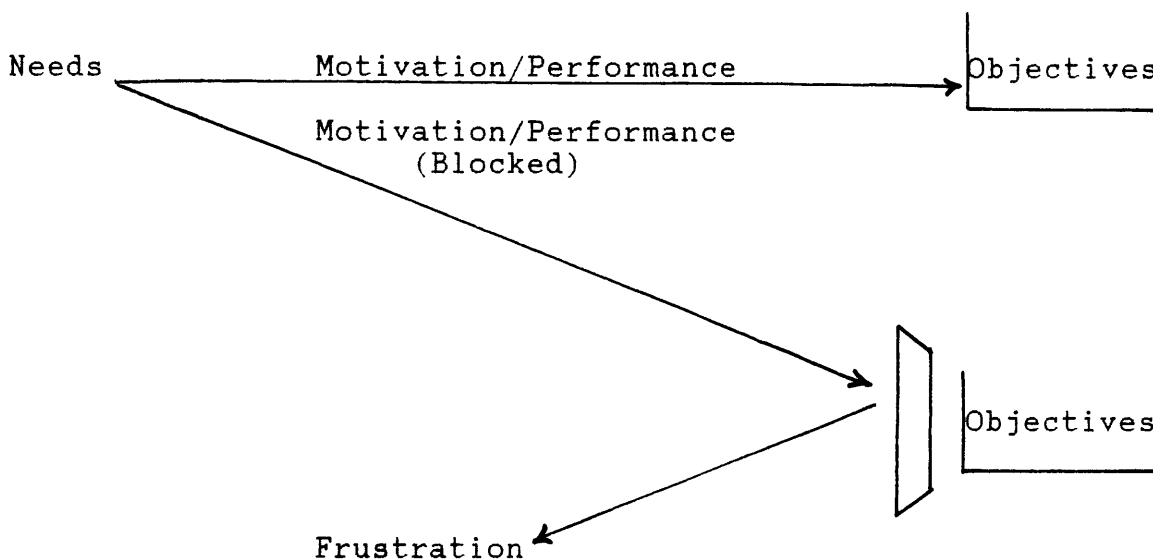
The below quotation is taken from a memo addressed to top management by a manager who works in the Marketing & Credit Department.

" Since 22.3.87 several letters have been sent, meetings held, telephone calls made, and memos written, but until this date (14.8.88) we have not regularized this account. Why?. I believe the answer is that in practice documentations have different scale of practicality. Documentations applicable to ALBA, BALEXCO, ASRY...etc, are not necessarily applicable to other small accounts such as Mohammed Establishment, Abdulla Stationary ...etc. In other words, concept behind standardization of our documents can not be operationalized equally to all sectors of the economy, or become operationally viable to all customers across the board. Tailoring documentations, particularly term loan agreements, to match with the nature and characteristics of each market segment is very important requirement. Simple, specific, clear, English and Arabic term loan agreement will not only accelerate the receipt of our documentations duly signed and executed by our customers, but it will also protect our rights. In case of syndication loans and big term loans to corporations, no one can argue that the documentations should not be in English, in other words, it is more desirable and convenient to have all documentations in English. However, when we deal with small accounts, the term loan agreement should be simple, clear, and in both languages ie. English and Arabic. In the event of default, our present standard term loan agreement must be translated into Arabic in order to enforce our rights through the Bahraini courts. This is because any paper to receive enough attention and consideration by the court it should be in Arabic. Translation of our standard term loan agreement when there is a default and when there is a need to take the case to the court, translation at this stage is risky because it is most likely to raise a lot of disputes and controversies among the concerned parties. This is simply because an English term loan agreement can not be interpreted and translated identically by all parties concerned. Translation might give the defaulted customer a chance to argue against certain clauses which if translated

differently would cause a serious impact on the legal position of the bank. High standardization of documents, long circulation process to get approval for renewal of existing facilities and new facilities, slow system and complicated procedures for opening letters of credit, rigid credit policy, complicated operational procedures, unnecessary flow of papers...etc, have serious and unfavorable effects on our performance and services to our customers. We feel disappointed because we could not achieve the bank desired targets."

The effects of XYZ Bank's bureaucracy on motivation and performance of employees can be illustrated by using the motivational model which was developed by Gary Dessler (98). This relationship between bureaucracy and motivation is shown in figure 11.

FIGURE 11 The Effects of Bureaucracy on Motivation & Performance



RELATIONSHIP BETWEEN MANAGERS AND EMPLOYEES

Two cases that can clearly reflect the type of the relationship that exists between the managers and employees of XYZ Bank will be presented here.

Case No.1: One of the assistant general managers, within two weeks of taking over the responsibility of the Marketing & Credit Department, called all senior managers and

98.Gary Dessler, Management Fundamentals, 4th ed. (Virginia: Reston Publishing Company, Inc., 1985), p.277.

assistant managers who work under his jurisdiction to his office in order to discuss the performance of the department. After a very short meeting he came up with a conclusion by which he accused all employees who work in his department that they are below standard, not professional, and incompetent. One of the senior managers asked him how could you reach to this conclusion within a short period of time?, don't you think two weeks is a very short period of time to judge on the capabilities of employees who have been working for this bank for years?. The answer to these questions was short, simple, and specific. The assistant general manager said that this is not only my own conclusion, but it is the conclusion of all top managers (most of them new comers).

Case No.2: On another occasion one of the assistant general managers called to his office a senior manager who works under his control and asked him, why do you talk to your subordinates too much?. The senior manager told him that I have to interact with my people as much as necessary in order to accomplish the targets of my department. The assistant general manager said to him do not try to be smart and attempt to create your own group in order to make unnecessary troubles to the management, because I have my own people who on a regular basis provide me with all the news. The senior manager got angry and while he was leaving the office he asked his boss, is this a bank or the ministry of interior?.

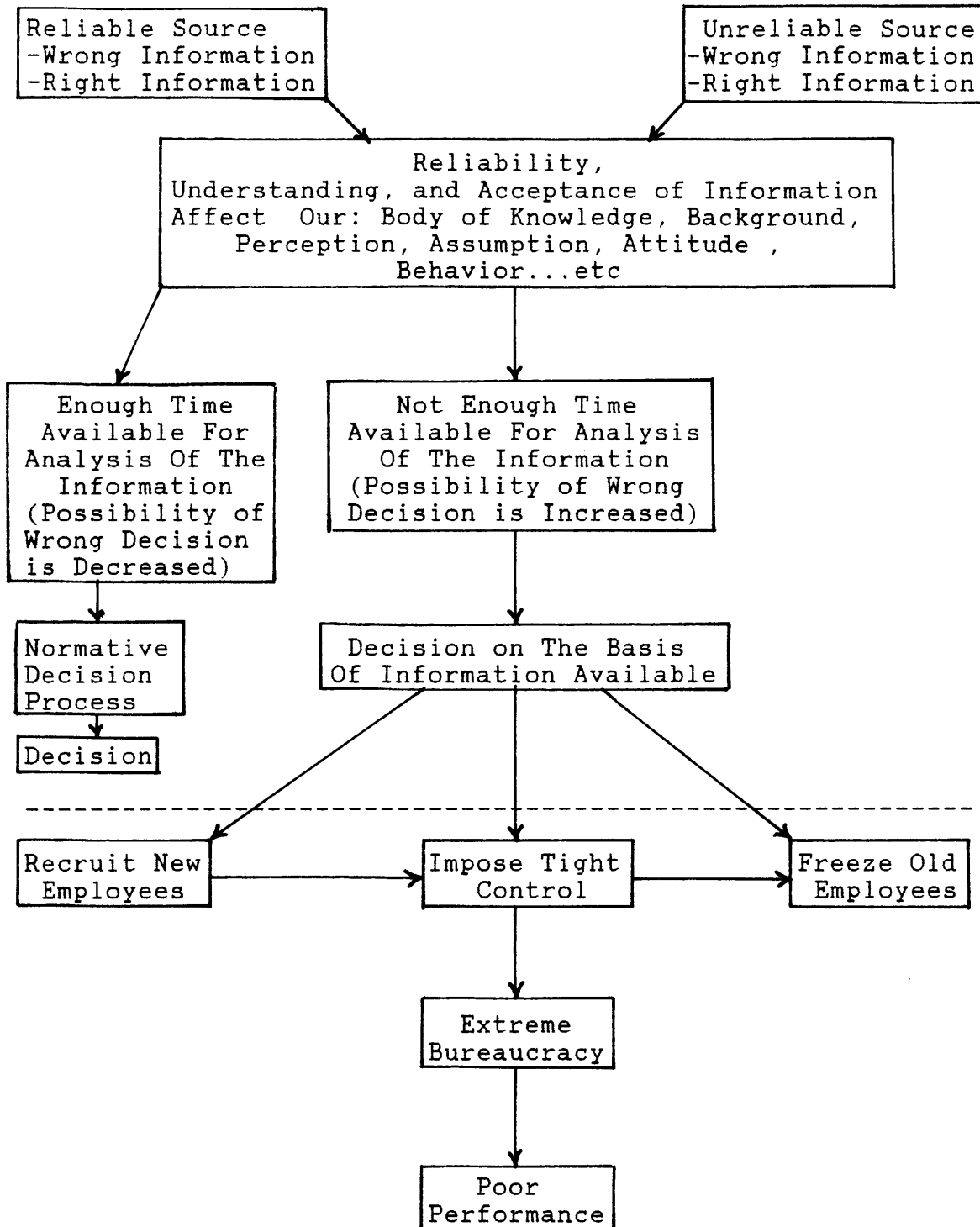
There are a lot of cases that reveal the nature of the relationship between managers and employees of XYZ Bank. Up to this stage it is enough to say that inhumanity, bureaucracy, spying, politics, and unilateral decision making process are the basic elements of the internal culture of XYZ Bank. Generally speaking, there is a weak relationship between managers and employees in general, and between new comers and old employees in particular.

Bureaucracy on one hand, and the relationship between managers and employees on the other hand, can be combined in figure 12 which is presented on the next page.

Figure 12 indicates what happened in XYZ Bank. The senior managers received information from different sources ie auditors, colleagues, friends...etc. Some of these sources are reliable and some are not. Not all information we receive are right. If we believe and accept wrong information and make our decisions on the basis of these information, our decisions might lead us and the organization in which we work in a wrong direction. Unfortunately, the new senior managers of XYZ Bank received very bad and wrong information about the old employees from their own sources, which perceived as reliable sources by these new senior managers. This information created,

FIGURE 12 Bureaucracy Model

a) General Portion



b) Specific Portion to XYZ Bank

formulated and designed bad backgrounds at the minds of these new senior managers about the old employees. Since the senior managers were under too much pressure from the board of directors, government, and big shareholders to manage the bank properly and generate profits as quickly as possible, these managers had no time to investigate and ascertain the correctness of the information that they received about the old employees. As a result it was judged that the old employees are below standard, not professional, incompetent, can not be trusted...etc. These unfavorable perceptions, aggressive attitudes, bad backgrounds...etc forced the senior managers to make and implement the following decisions:

1. Most of the old employees have been frozen or blocked and excluded completely from all important decisions.

2. New employees recruited and have been given the chance to participate in developing the tight control system which affected their own performance in general and the old employees in particular.

3. This tight control mentality gradually led to the development of extreme bureaucracy.

4. Extreme bureaucracy, in the banking industry which is a very competitive and turbulent environment, led the bank to experience poor performance.

Technology (Joan Woodward), size (Aston Research), Environment (Tom Burns and G.M. Stalker; Paul R. Lawrence and Jay Lorch), and information processing (Jay Galbraith), are the main factors which affect the level of bureaucracy. From figure 12 we can infer that the type, reliability, understanding and acceptance of information that we receive from different sources (reliable and unreliable) affect our decisions in general. In the case of XYZ Bank and as shown in the bottom portion of figure 12, the selected decision led to Bureaucracy. In other words, the main cause behind XYZ Bank's Bureaucracy was not its size, technology, environment, or even information processing, however, source and type of information played an important role in affecting those new senior managers' decisions which led to the Bureaucracy. Thus the source (reliable/unreliable) and the type of information (wrong/right) which we receive about the employees affect the level of bureaucracy we impose on them.

COMMUNICATION

One day XYZ Bank incurred a loss of about BD.12000 commission in a performance bond requested by one of its prime customers for one of the biggest projects in Bahrain.

The loss was incurred because there were personal frictions between the concerned account relationship manager and the head of the Corporate Banking Unit. This internal problem resulted in undue delay in the issuance of the requested performance bond. As a result the customer decided at the last moment to issue the required guarantee through other bank. The next day the account relationship manager went to the personnel manager and raised an official complaint against the unit head, and gave the personnel manager a sealed envelope which contained important information that explained the main reasons behind the bank's losses in the above requested performance bond. Since employees are not allowed to see XYZ Bank's general manager directly, the account relationship manager requested the personnel manager to submit the envelope on his behalf to the general manager. Although it was difficult to convince the personnel manager to accept this responsibility, the personnel manager accepted to take up the envelope to the general manager because he felt that keeping the general manager fully aware of what is really going on in the Corporate Banking Unit is entirely for the benefit of the bank. Two days later the same sealed envelope returned to the account relationship manager who had been told that the general manager refused to read what was inside the envelope because he believes that there is a proper communication channel through which the information should reach him. Since one of the stations of the proper communication channel through which the information should go to the general manager was the unit head himself, the account relationship manager decided not to send the envelope again because he was sure that this envelope would never reach the general manager.

EMPLOYEES MORALE AND THEIR PHILOSOPHY

During an informal meeting, one of the old managers said to his colleagues that "he feels sorry because the credit of his, and his colleagues, own performance and efforts goes to the new comers (new employees). This is because top management perceives us as bad employees and the new comers as good employees. As a result, any good performance of our department whether such performance was the result of our or new comers' efforts, the credit would be given to the new comers only. This means if you work hard this will show clearly that the new comers are better than you, because your own high performance will be attributed to them and not to you. In other words you are perceived by your management as bad employees and if you work hard this will prove that you are really bad employees. Finally he said if you do not understand what I am saying, you better refer to a management consultant to solve this puzzle for you."

I have personally noticed that in XYZ Bank there are many managers, assistant managers and even senior managers, who are experienced in banking, have good qualifications, and like their jobs, but unfortunately, tend to work far below their own capacities. I understood that they do not want to work at full capacity, because they do not want the credit of their own performance to be attributed to someone else.

In fact, from the above case we can develop a simple example which can help us to understand the philosophy behind the above serious phenomenon. Lets assume that employee X was a good employee but his superior perceived him as bad. This perception that the superior held about employee X was so strong and could not be changed. As a result the superior decided to recruit additional staff. Employee Y joined the department and started working with employee X. This decision did not affect the contributions of employee X to his department. Rather, employee X put more effort in order to prove to his superior that he is a good employee. As a result of the persistent efforts of employee X, the performance of the department increased by 20%. Since the 20% increase in the department's performance was achieved after employee Y joined the department, this proved to the superior that employee X was really bad and the decision to recruit employee Y was a right decision. When the superior recognized this excellent performance he called employee Y to his office and congratulated him for this good result. At the end of the year, employee Y received a 10% increment, 2 bonuses, and a promotion. On the other side, employee X received a 4% increment, 1 bonus, and no promotion.

If you were in the position of employee X, I am sure that you would appreciate and remember the philosophy of XYZ Bank's old employees:

"The more you work, the more better they become, and the worse you become."

The above are real problems that have been derived from reality. When you do not have anyone in the hierarchy to whom you can express your problems; whenever you talk about your problems you are perceived by bureaucratic managers as a trouble maker; and when you do not have any chance to participate in decisions that directly or indirectly affect your own working activities and performance; problems of this or similar nature are most likely will take place.

One of the respondents when he saw the title of the questionnaire, "Participation In Decision Making", said that I have seen this term once in a memo in which our

management asked the employees of our bank to participate in foot match tournament.

Is participation good thing for XYZ Bank?

The answer will be concluded from the next section which will cover the research's findings.

RESEARCH'S FINDINGS

RESEARCH'S FINDINGS

A questionnaire has been designed in consultation with Dr. George K. Najjar. "Privacy and Confidentiality Barriers", which we face everywhere we go in this part of the world when we seek information, has been considered carefully in the wording and design of the questionnaire. The fact that bankers are, often, busy due to the tremendous amount of the daily transactions, has been clearly reflected in the length of the questionnaire. Before the questionnaire was administered on a large scale, it was tested by selecting a small number of employees randomly, who were requested to answer the questions. This testing process was very useful as it led to constructive criticisms and important feedback upon which the questionnaire was reworded in order to make it more clear and comprehensible. The questionnaire covers three main areas: (1) attitudes toward participation, (2) specific job factors, and (3) foundation of good participation system.

The project field is made up of the Marketing & Credit Department (Corporate Banking Unit, Corporate Collection Unit, Retail Banking Unit, and Retail Collection Unit), and the Operations Department (mainly the Current Department, and the Letter of Credit Department). The notion behind selecting these departments could be seen through the following distinctive characteristics which are attached to these departments:

Operations Department

- Routine jobs.
- Simple rules and procedures.
- Employees are less senior in terms of experience, qualifications, grades and salaries than their counterparts who work in the Marketing & Credit Department.
- Almost stable internal and external environment.

Marketing & Credit Department

- Challenging jobs.
- Complicated rules and procedures (Complicated and rigid credit policy).
- Employees are more senior in terms of experience, qualifications, salaries and grades than their counterparts who work in the Operations Department.
- Turbulent internal and external environment.

The above distinctive characteristics of each department

make useful and valuable contributions towards the conclusions of this project.

A hundred respondents had been approached in this research ie, fifty respondents from each department. Some of the questionnaires had not been returned, and some were incomplete. The final comparable number of questionnaires which had been included in this research consists of 40 questionnaires from each department. Respondents' answers from each department have been consolidated and expressed in terms of percentages as shown in table 6.

TABLE 6 Research's Findings

Marketing & Credit Dept.	Operations Dept.	
% Of Respondents	% Of Respondents	Answers
<u>A) Attitudes Toward Participation</u>		
68	85	Believe that participation is a time consuming process.
78	73	Agree that participation can lead to satisfactory decisions that can be accepted by superiors and subordinates.
68	75	Feel that participation creates hurdles against the implementation of the top management's decisions.
63	78	Believe that employees participation in decision making can lead to weak decisions because lower and middle level employees are not fully aware and familiar with top management decisions.
78	35	Are convinced that participation is an effective way for making decisions and solving problems.
53	23	Agree that participation involves power sharing.
93	60	Believe that participation can result in job satisfaction and high performance.

Cont. TABLE 6

Marketing & Credit Dept.	Operations Dept.	
% Of Respondents	% Of Respondents	Answers
85	83	Believe that participation can lead to internal equity.
78	83	Confirm that the majority of the Bahraini employees are deprived of participation in decision making.
95	68	Encourage employees participation in decisions that affect their working activities.
<u>B) Specific Job Factors</u>		
43	60	Need participation in determination of the salaries.
65	38	Believe that participation is needed in creating challenging jobs.
83	68	Need participation in the development of job evaluation manual.
85	60	Need participation in designing working conditions.
52	28	Need participation in decisions relating to normal working hours.
93	13	Need participation in decisions relating to additional working hours.
60	88	Need participation in designing and developing of training programs.

Cont. TABLE 6

Marketing & Credit Dept.	Operations Dept.	
% Of Respondents	% Of Respondents	Answers
50	73	Need participation in performance appraisals.
67	33	Need participation in the development of objectives and goals.
70	18	Need participation in the development of budgets.
65	13	Need participation in the development of strategies.
95	40	Need participation in the development of rules and procedures.
78	43	Believe that participation is needed for an effective communication system.
85	63	Believe that participation is needed in developing good interpersonal relationships.
78	53	Feel that participation is needed for the exchanging of ideas.
80	70	Feel that participation is needed for selecting social facilities.
1148	761	Total (Specific job factors)
72	48	Average (Specific job factors)

CONCLUSIONS

Conclusions on the basis of analysis of the information that have been collected and presented in table 6, can be broken

down into three main parts : (1) Attitudes towards participation, (2) Specific job factors, and (3) Overall conclusions.

1) Attitudes Towards Participation

Looking at table 6 from the operational perspective we can see that the information under this section reveals that respondents from the Operations Department expressed more support for the statements that were against participation than did their counterparts. Their answers towards statements such as participation is a time consuming process; participation creates hurdles against implementation of management decisions; and participation can lead to weak decisions because lower level and middle level employees are not fully aware and familiar with top management decisions, are good examples.

Looking at the information from the marketing and credit perspective we can see that the information indicates that respondents from the Marketing and Credit Department expressed more support towards statements that were in favor of participation than did their counterparts. Their answers towards statements such as participation is an effective way for making decisions and solving problems; and participation can result in job satisfaction and high performance, are good examples.

Respondents from both groups seem to almost unanimously agree that participation can lead to satisfactory decisions and internal equity.

The above differences in attitudes can be attributed to the differences in the nature or characteristics of the job. For instance, 53% of the respondents from the Marketing and Credit Department agreed that participation involves power sharing versus only 23% from the other group. Employees who work in the Marketing & Credit Department need power in order to determine the right type of loan that should be approved to the bank's customers, they need power to determine the rates of interest that are competitive with other banks, they need power to reject any bad loans...etc. On the other hand, participation to employees such as cashiers, clerks in the Letter of Credit Department, a clerk responsible for a standing order (in the Current Department) ...etc does not mean power sharing because of the type of decisions (ie. routine decisions, simple procedures, structured problems...etc) in which these employees can participate. This conclusion can be substantiated by the respondents' answers, to the last question under this part of the questionnaire, that indicate that the employees who

work in the Marketing and Credit Department encourage participation more than did their counterparts, although both groups showed a strong desire for participation in decisions that affect them.

Finally, it is worthwhile to mention here that most of respondents believe that most of the Bahraini employees are deprived of participation in decision making. Their answers which were based on their experiences, information they received from their friends who work in other organizations, listening to the problems of others...etc are consistent with the general phenomenon, "lack of participation", which can be noticed by most of the local employees. Of course, 80 respondents can not be used as a good representative group for the whole population. In other words, a further research is needed to prove this phenomenon.

2) Specific Job Factors

To conduct a useful analysis of the information provided under this part of the questionnaire, it was necessary to rank and organize the information as shown in table 7.

TABLE 7 Ranking of Specific Job Factors

NO.	Factors	M* %	Factors	O**
1.	Rules & procedures	95	Training programmes	88
2.	Additional working hrs	93	Performance appraisal	73
3.	Working conditions	85	Social facilities	70
4.	Interpersonal relationships	85	Job evaluation system	68
5.	Job evaluation system	83	Interpersonal relationships	63
6.	Social facilities	80	Salaries	60
7.	Exchange of ideas	78	Working conditions	60
8.	Communications	78	Exchange of ideas	53
9.	Budgets	70	Communications	43
10.	Objectives & goals	67	Rules and procedures	40
11.	Strategies	65	Challenging jobs	38
12.	Challenging job	65	Objectives & goals	33
13.	Training Programs	60	Normal working hrs	28
14.	Normal working hrs	52	Budgets	18
15.	Performance Appraisal	50	Additional working hrs	13
16.	Salaries	43	Strategies	13

* Marketing & Credit Department

** Operations Department

Note: The above % reflects the "demand" for participation. Yet the term "support" is used to reflect the same meaning. Thus "Demand" and "Support" are interchangeable under this section.

The above results, to some extent, caused ambiguity and frustration. This is because it was assumed that since the above listed specific job factors are important, and have essential effects on employees' working activities and performances, it was expected to achieve consistency in support for participation for each specific factor by both groups. However, table 7 shows more differences and inconsistencies between both groups in terms of their support for participation. These differences necessitated further comparison of each factor with the nature or characteristics of each representative group. As a result the following changes in the basic assumption have been made:

"These differences or inconsistencies still indicate that the specific job factors are important to most employees but in different degrees. Characteristics of the job affect employees' support and demand for participation."

In fact, the above assumption, which was derived from table 7, helped in developing the following hypotheses which are also based on the results of table 7:

1)The higher the participation demand level is, the more the employee is dissatisfied with his job in general and with the concerned specific job factors in particular. (Dissatisfaction).

2)The higher the participation demand level is, the more the employee feels that he is able to participate in decision making. (Ability).

3)The higher the participation demand level is, the more the employee feels that it is his right to participate in decision making. (Right).

To test the validity of the above hypotheses, it was necessary and inevitable to design a short supplementary questionnaire, which addressed the questions listed below, to those respondents whose answers were included in table 6 under section (B), and table 7.

1. Please tick one of the following statements:

- a)--- I am satisfied with the present additional working hours schedule.
- b)--- I am dissatisfied with the present additional working hours schedule.

2. My ability to participate in decisions relating to the development of rules and procedure is:

----- Strong ----- Moderate ----- Limited

Please tick only one of the above answers.

3. Do you feel that it is your right to participate in the development of the job evaluation system?
 ----- Yes -----No

Mainly, rules and procedures, additional working hours, and job evaluation have been selected as a representative group for those sixteen job factors which were presented in table 7.

On the basis of this supplementary questionnaire it was possible to collect additional information which are presented in table 8.

TABLE 8 Research's Findings

Marketing & Credit Dept.		Operations Dept.		
Respondents (%)	NO	Respondents (%)	NO	Answers
<u>Question No.1</u>				
11	4	80	4	Are satisfied with the present additional working hours schedule.
89	33	20	1	Are dissatisfied with the present additional working hours schedule.
<u>Question No.2</u>				
66	25	19	3	Have strong ability to participate in the development of rules and procedures.
16	6	13	2	Have moderate ability to participate in the development of rules and procedures.
18	7	68	11	Have limited ability to participate in the development of rules and procedures.
<u>Question No.3</u>				
88	29	59	16	Feel it is their right to participate in the development of the job evaluation manual.

The main information relevant to the selected job's factors (additional working hours, rules and procedure, and job evaluation) from both table 7 and table 8 can be consolidated and presented in table 9 in order to draw up the final conclusion.

TABLE 9 Consolidated Research's Findings

Job Factors	Table 8		Table 7 Demand or Support for participation	
	M (%)	O (%)	M (%)	O (%)
Additional working hours	89 **	20 **	93	13
Rules and procedures	82 ***	32 ***	95	40
Job evaluation system	88	59	83	68

* Dissatisfaction to additional working hours.

** Strong ability + Moderate ability to participate in rules and procedures.

*** Right to participate in the development of the job evaluation system.

Table 9 reveals that there is an implicit relationship between participation on the one hand, and dissatisfaction, and the ability and the right to participate in the decision making process on the other hand.

Dissatisfaction & Participation

Employees in the Marketing & Credit Department must work on a continuous working hour basis. For instance, they must work from 7.30am to 3.30pm five days a week and from 7.30am to 1.30pm on Thursday. Additional or afternoon working hours are compulsory and must be attended by all employees who work in the Marketing & Credit Department without any exceptions. In other words, whether you have work or not you have to stay in the bank's premises until 3.30pm. At the other side, the Operations Department's employees follow flexible afternoon working hours. For instance, if there

is a difference in the cash balance after the normal working hours, which are from 7.30am to 1.30pm, six days a week, it would be up to the employees themselves to decide upon the additional working hours which they must work in order to find out the cause of this difference. Recently there was a memo signed by almost all the employees of the Marketing & Credit Department in which they expressed their dissatisfaction to the present official working hours, and in which they requested top management to apply flexible afternoon working hours, particularly, during the present time in which most of the economy sectors have been experiencing a recession because of the Gulf Crisis.

Looking at table 9, which explains the above phenomenon in terms of percentages, we can see that the dissatisfaction level of employees towards the concerned job factor affects their demand or support for participation. 89% of the marketing employees were dissatisfied with the afternoon working hours and this dissatisfaction was translated into a 93% demand for participation. At the other side, since the afternoon working hours are under the discretion of employees who work in the Operations Department, only 20% were dissatisfied with the additional working hours and only 13% asked for participation.

From the above presentation we can conclude that the level of dissatisfaction play an important role in determining our level of demand for participation.

Ability & Participation

As mentioned under the characteristics of each department, employees who work in the Marketing & Credit Department enjoy more experiences and higher qualifications than their counterparts who work in the Operations Department. These differences in experience and qualifications are clearly reflected through the differences in salaries and grades which can be presented in table 10.

TABLE 10 Scale of Grades & Salaries

Marketing & Credit Department:	
	Minimum Grade- assistant mgr.
	Maximum Grade- senior manager
	Minimum Salary- BD.850
	Maximum Salary- BD.2500
Operations Department	
	Minimum Grade- clerk
	Maximum Grade- Officer
	Minimum Salary- BD.250
	Maximum Salary- BD.650

Note. The above scale of salaries is approximate.

At one extreme, although the activities of the Marketing & Credit Department is governed by rigid and complicated credit policy, employees' experience and qualifications make them feel that they are able to participate in and can provide useful input into the credit policy formulation. At the other extreme, the minority of employees in the Operations Department feel that they are able to participate in the development of the rules and procedures, although such rules and procedures tend to be simple and routine.

On one hand, an 82% ability to participate led to a 95% demand for participation by the employees of the Marketing & Credit Department. On the other hand, a 32% ability to participate led to only a 40% demand for participation by the employees of the Operations Department. This clearly indicates that since marketing employees enjoy greater ability to participate in decisions relating to the rules and procedures, their demand for participation was greater than their counterparts. Thus we can conclude that the level of ability affects the level of demand for participation.

Right & Participation

Table 9 reveals that the majority of employees (who supported participation for job evaluation) from both departments feel that it is their right to participate in the development of job evaluation system through which they can influence their grades and salaries. It is worthwhile to mention here that although almost 50% of the total respondents discouraged direct participation in the determination of the salaries, almost 75% of the total respondents encouraged participation in the development of job evaluation system which is an indirect way through which the respondents could influence their grades and salaries (this can be seen by referring to table 6, section B).

The Marketing & Credit Department's employees, and Operations Department's employees high support for participation of 83% and 68% in succession, indicates clearly the relationship between employees' right to participate in decision making on one hand, and employees' support or demand for participation on the other hand.

Generally speaking, table 9 explains that there are implicit relationships between the employee's dissatisfaction, and the employees' abilities and rights to participate in the decision making process on the one hand, and the employee's demand for participation on the other hand. Table 9 also helps in explaining and testing the validity of the three hypotheses which were mentioned in the preceding pages.

3)Overall Conclusions

a)Decisions concerning job factors (salaries, grades, training, performance appraisal, rules and procedures...etc) are very important and sensitive because of their direct effects on the performance of employees. Therefore, giving employees enough chances, whenever possible and necessary, to participate in making decisions relating to these factors is an important requirement which should be complied with by contemporary managers.

b) Table 6 reflects that the employees of the Marketing & Credit Department are in favor of and in urgent need for participation more than their counterparts. For instance, the average of specific job factors indicates that the marketing & credit's employees recorded a 72% support for participation, whereas the operations' employees recorded only 48% . In fact this table and other tables reveal the following:

-Characteristics of the department and the effects of these characteristics on the jobs and employees play an important role in determining the level of demand for participation which the employees seek for decisions that affect them.

-Although the information presented under this section indicate that participation is needed more for the Marketing & Credit Department than the Operations Department of XYZ Bank. This is not necessarily true for Al Ahli Commercial Bank or other banks that are operating in the local banking industry. Each bank , department and job has its own characteristics that should be studied and analyzed before launching any type of participation system.

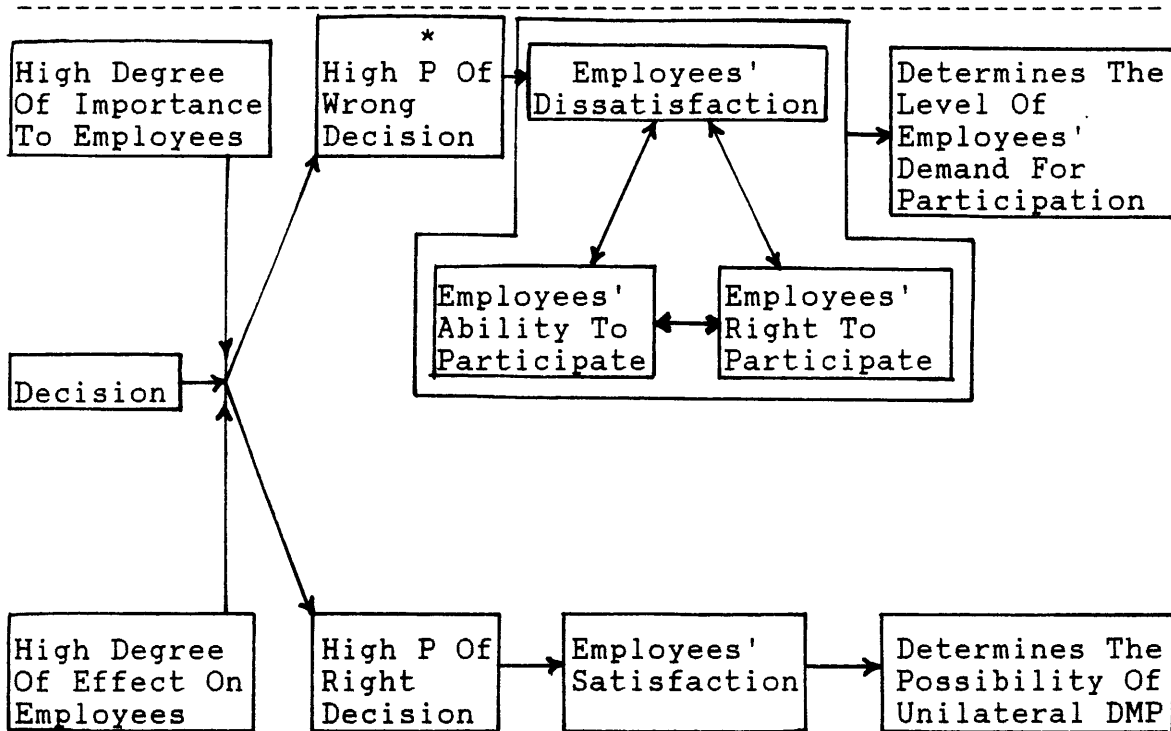
-The Majority of employees covered under this research tend to support the idea of participation for decisions that affect them, whether these employees are from the Marketing & Credit Department or the Operations Department.

-Differences and inconsistencies in support or demand for participation under certain circumstances reflect that participation is not panacea.

-The degree of importance of any job factor is one of the things that can determine the level of participation that is needed for that particular factor. For example, 52% versus 95% were the participation demand levels for normal working hours, and rules and procedures respectively under the Marketing & Credit column, table 6, section (B). These different levels of demand for participation, to some extent, reflect the different degrees of importance that the respondents attached to these two job factors.

c) As explained above the employees' dissatisfaction, and the employees' ability and right to participate in the decision making process, are three important elements that affect the level of demand for participation. In the above presentation each element was selected for one job factor (ie. dissatisfaction for additional working hours, ability for rules and procedures, and right for job evaluation system) and then discussed and analyzed separately for the purpose of simplicity. However in real life our dissatisfaction, ability, and right exist together and react with each other whenever there is a need for participation in decisions that affect us. This is explained in figure 13.

FIGURE 13 Relationship Between Dissatisfaction, Ability to Participate, Right to Participate, and Participation



P: Probability. DMP: Decision Making Process.

Short independent examples will be presented below in order to explain figure 13.

Example No.1: A decision to transfer employee X was made by his superior unilaterally. This decision involves transferring employee X from XYZ Bank's head office in Bahrain, to XYZ Bank's branch in London. When this decision was communicated to employee X, his reaction was that he became happy, satisfied and fully willing to accept this transfer because he felt that such transfer was an important

step which might lead to a higher position in the future, and it was better for him and his family to leave Bahrain before the ground war in the Gulf, between the allied forces and the Iraqi soldiers, start. Although this decision was important to employee X, and had direct effect on both his working life and social life, however, since he was fully satisfied and totally convinced with this decision, we can assume that employee X would not ask for participation in making this decision, simply because he got exactly what he wanted from his superior.

Example No.2: Top management of XYZ Bank decided to open a branch in Bomby. Employee Y who works in the Dispatch Department was completely indifferent because this decision had nothing to do with his job. Since the degree of importance and the degree of effect of this decision on employee Y were almost Zero, we can assume that employee Y would not ask for participation in making this decision, simply because he felt that it was up to the top management of his organization to decide whether or not to open a branch overseas.

Example No.3: A decision by top management of XYZ Bank had been taken to increase the interest rate "across the board" in order to achieve a higher rate of return on the Borrowing Accounts Portfolio which is handled by every accounts relationship manager. This decision was made in the ivory tower of the top management and then imposed on all accounts relationship managers. Most of the accounts relationship managers perceived this decision as wrong decision. This was because they felt that this type of important decision, which directly affect their marketing efforts in attracting new customers and bringing more business from the existing customers, ought to be made on a collective basis because it is going to affect their performance. The accounts relationship managers felt that implementing this type of decisions on a "selective basis" rather than "across the board" would be in favor of the bank. However, since their inputs were not solicited by the top management and the possibility to change this decision was almost negligible, most of the accounts relationship managers became dissatisfied with this decision. This dissatisfaction took place because accounts relationship managers believed that a mistake was made in respect of a decision which was very important and which would have direct and serious effects on their performance.

We can infer from the above presentation that the degree of both importance and effect of a particular decision play an important role in determining our satisfaction, dissatisfaction and indifference with this decision. The decision's degree of effect can take different forms, ie. managerial, financial, social...etc, which should be considered fairly.

When a decision is not important and has no effect on the employees' performance and working activities, employees' demand for participation in making this type of decisions tend to be low.

When a decision is important and has a direct and/or an indirect effect on the employees' performance and working activities, considering implementation of participation in decision making process becomes essential for the following reasons:

1. If important decision is made on a unilateral basis, employees would become dissatisfied when this decision proved to be wrong later on.

2. If employees feel that it was their right, and they were able, to participate in making this important decision, which was made on a unilateral basis and went wrong later on, depriving them from participation opportunity in this case could lead to a negative reactions or relationships between the three elements (dissatisfaction, ability and right) which might result into serious employees' dissatisfaction and higher employees' demand for participation in decision making process.

Believing in the validity of the System Theory we can say that any decision in the organization is important to almost each department and to every employee. However, the degree of importance and the degree of effect of each decision are different from one department to another and from one employee to another. Lets assume that XYZ Bank decided to open overseas branches. The importance of this decision to, and the effect of this decision on, several departments of XYZ Bank are explained through table 11.

TABLE 11 The Importance And Effect Of Opening Overseas Branches

No.	Department	Degree Of Importance	Degree Of Effect
1.	International Department	It is extremely important global strategy to have branches in different countries.	Spreading risks, generating higher profits, gaining more knowledge about the foreign markets...etc.

Cont. TABLE 11

No	Department	Degree Of Importance	Degree Of Effect
2.	Letter Of Credits Dept, (LCD)	It is important and better to deal with our own overseas branches rather than dealing with other foreign correspondent banks in opening lcs*.	Faster processing of lcs may attract more lcs to the LCD.
3.	Dispatch Department	Almost negligible.	Creating new channel of inward and outward mails between the head office and overseas branches.
4.	Public Relation Department (PRD)	It is important because it gives PRD's staff prestige whenever they present their bank to visitors, representatives...etc.	Almost negligible.

lcs: Letter of credits.

To reach a satisfactory decision with regard to opening overseas branches we should solicit the inputs of all departments. However, in reality this might be a time consuming process, inefficient and not possible. If I asked which department should be included in the decision making process?, I would expect department Nos.1 and 2 to be the most satisfactory answer.

Wrong decisions made by managers, who prefer to make decisions on a unilateral basis, will affect the organization in general and departments 1 and 2 in particular. Participation may help to reduce the impact of possible wrong decisions to a minimum level. This is simply because when a wrong decision take place, employees who were involved in the decision making process would feel that it was their own decision which went wrong, and it is now their responsibility to work harder in order to rectify their mistakes.

In fact, the degree of importance and effect of the decision can help in answering the following most challenging question:-

When and where do we have to implement or encourage participation in decision making process?.

From the above presentation and analysis we can conclude the following:-

1. A decision which has a high degree of importance to and a high degree of effect on employees' performance is most likely to result in either employees' satisfaction or dissatisfaction.

2. A decision which is not important and which has no or negligible effect on employees' performance is most likely to result in employees' indifference.

Which of the three elements (satisfaction, dissatisfaction, or indifference) is the most important?

In fact there are three possibilities which should be considered in answering this question:-

1. When an employee is satisfied with a particular decision, which has high degree of importance to and high degree of effect on his performance. We can expect that this satisfaction can be translated into more contributions towards implementing this type of decisions.

2. When an employee is dissatisfied with a particular decision, which has high degree of importance to and high degree of effect on his performance. We can assume that this dissatisfaction can lead to less contributions towards implementing this type of decisions.

3. Unimportant decisions that have negligible or no effects on employees' performance may lead to no change in employees' contributions.

It is worthwhile to mention here that in reality we can observe employees do their best to implement a certain decision which was made solely by their manager, although they are dissatisfied with this decision. What are the reasons behind this employees' behavior?. Employees want to avoid bad performance appraisal, unnecessary problems with their manager, prove through the final results that the decision was wrong and their dissatisfaction was justifiable, and there could be other reasons or answers which can explain this employees' behavior. Forcing employees to implement what management wants is not in

favor of the organization, even if implementation shows good results in the short run. Treating employees like soldiers who must follow instructions blindly, and who must implement whatever decisions imposed on them by higher authority, can deprive the organization from the employees' creative contributions in the long run.

Employees' dissatisfaction can be translated into limited contributions which just ensure implementing what management wants. Employees' dissatisfaction may consciously or unconsciously discourage employees from directing extra and creative contributions beyond what is expected from them. Believing in "what employees can give rather than what employees must give" can create a flexible management style which encourages employees to direct more and creative contributions towards the organization's survival.

Is it satisfaction, dissatisfaction or indifference which trigger the need for participation?

The probability of making a wrong decision (a decision which has high degree of importance to and high degree of effects on employees' performance) which is most likely to result in employees' dissatisfaction, plays an important role in determining the necessity of participation in decision making process. In other words, when we are required to make an important decision, and we feel that there is a high probability that a wrong decision made on a unilateral basis would result in employees' dissatisfaction. Under such circumstances, it would be necessary to encourage the concerned parties to be involved in the decision making process. If the collective decision went wrong later on, its impact on the concerned parties could be minimized, simply because everybody of the concerned parties would feel that it was his own decision which went wrong and not someone's else decision.

The level of dissatisfaction is not only affected by the degree of importance and the degree of effect of the decision, but also by the employees' ability and right to participate in the decision making process. Going back to example No.3, if the concerned accounts relationship managers felt that it was their right to participate, and they were able to provide the top management with very useful inputs in making the decision concerning the rate of interest, we can reasonably assume that these accounts relationship managers would become totally dissatisfied with implementing the increase in the interest rate "across the board". This high level of dissatisfaction would result in high demand for participation so that the accounts relationship managers can change or influence this type of decisions which can affect directly their performance and marketing activities.

In example No.3 and the above point employees were dissatisfied, it was their right and they were able to participate in the decision concerning the interest rate. However, it is worthwhile to mention here that there are other types of interactions between employees' dissatisfaction, and employees' ability and right to participate in the decision making process which can be seen through the following possibilities:

Possibility No.1: Employees are dissatisfied, able to participate but it is not their right to participate in the decision making process.

Possibility No.2: Employees are dissatisfied, it is their right but they are incapable to participate in the decision making process.

Possibility No.3: Employees are dissatisfied, but it is neither their right nor they are able to participate in the decision making process.

The net result of the interactions between employees' dissatisfaction, ability and right to participate in the decision making process, plays an important role in determining employees' demand for participation.

It is possible to find an employee who is satisfied with certain decisions, and at the same time seeks to get a chance to participate in making this type of decisions. Why?. The answer could be to fulfill higher level of needs such as recognition.

Having explained through figure 13 the factors that play an important role in determining employees' demand for participation it is now convenient to answer the following questions:-

1. When participation in the decision making process is necessary?

The answer can be summarized into the following points:-

a) Dissatisfaction

When employees are dissatisfied. They might be dissatisfied with working hours, salaries, working conditions, rules and procedures...etc.

b) Creative Organization

When an organization wants to become creative in problems solving, marketing, interpersonal skills, leadership, entrepreneurship...etc.

2. Who should participate in the decision making process?

The answer can be summarized into the following points:-

- a) Dissatisfied employees.
- b) Capable employees (employees who are able to provide useful input into the decision making process).
- c) Employees who have the right to participate in the decision making process.

In reality we are confronted to answer many challenging questions. Some of which can be presented as follows:-

- a) What should be done when employees are dissatisfied and have the right to participate in the decision making process, but they do not possess the required capabilities?
- b) What should be done when employees are dissatisfied, able to participate in the decision making process but it is not their right to do so ?
- c) What should be done when employees are dissatisfied, able and have the right to participate in the decision making process but they are not given the chance to participate in the decision making process?

If employees are dissatisfied and capable or able to participate in the decision making process but it is not their right to do so, then the management should change the rules in order to let the employees have the right to participate in the decisions that directly or indirectly affect their performance and working activities. If employees are dissatisfied and have the right to participate in the decision making process but, unfortunately, they are incapable to do so, under such circumstances the management can encourage them to take a secondary role in the decision making process. This might help the employees know what is going on, improve their capabilities, and reduce their dissatisfaction.

Although participation is not panacea, it can minimize employees' dissatisfaction, if it can not create employees' satisfaction, it can consider and respect employees rights, and it can utilize employees' capabilities towards creating creative organization.

We can infer that employees' dissatisfaction, capabilities and rights, singly or jointly, entitle employees to become one of the parties in the decision making process.

3. What are the most effective participative decision making methods?

The most effective participative method is the one which secures satisfactory decisions at the lowest costs and within the time available.

Participative methods can take different forms. One of the most important factors that can differentiate one method from another is power sharing. The level of the power that is shared among all the parties involved in the decision making process, plays an important role in determining the effectiveness of the selected participative method.

How much managers can abdicate of their power to their employees?

To answer this important question we can shed the light further on the following elements that have been already covered in figure 13:-

- a) Type of the decision.
- b) The degree of importance of the decision to employees.
- c) The degree of effect of the decision on employees' performance.
- d) The probability that unilateral decision making process will lead to wrong decision.
- e) The effect of wrong decision on employees' dissatisfaction.
- f) Employees' abilities to participate in the decision making process.
- g) Employees' rights to participate in the decision making process.

In other words, figure 13 can help us in understanding the elements that play an important role in determining employees' demand for participation. Besides, it helps us to focus on and consider elements upon which determination of power sharing can be made.

As a matter of fact, It is impractical to recommend a standard participative decision making method because "one best method" in real life does not exist. In reality we are dealing and confronted with a tremendous amount of variables and situational factors. An intelligent integration between situational factors, figure 13, and prerequisites of participation (refer to page 51), can help contemporary managers build up a satisfactory participative system.

In this part of the world where democracy is not encouraged; participation means politics; many managers who occupy the top positions in our organizations are not management oriented; many managers believe in bureaucracy, and autocracy leadership style; Theory X is the right assumption about employees...etc., it is necessary for the community to pass through a transitional period through which the present management thoughts and mentalities could be changed. When this transitional period takes place it will be possible to satisfy employees' demand for participation. This desired transitional period will be covered in the next section which is devoted to understand how employees' demand for participation can be satisfied in the long run.

TRANSITIONAL PERIOD

TRANSITIONAL PERIOD

In this section three important topics, that can pave the way for the introduction and application of participation in this part of the world, will be discussed and presented. These three topics are Countries Attitudes Towards Participation, Amendments of Theory X and Theory Y, and Body of Knowledge.

COUNTRIES ATTITUDES TOWARDS PARTICIPATION

Examples of other countries' attitudes towards participation in decision making are as follows:

Japan: Cooperation and productivity are the major goals of the Japanese decision making process. In the early 1980s William Ouchi introduced his Theory Z which is a modified approach that was recommended to be followed by American organizations in order to achieve the characteristics of the Japanese decision making process.(99). Lifetime employment (guaranteed employment); consensual decision making (agreement of all parties are important); collective responsibilities (group spirit); slow evaluation and promotion (prevents a rapid rise to the top management, and achieve proper evaluation and selection of top managers); Informal control (self-discipline and self-management); nonspecialized career paths (training in all aspects); and wholistic concern (full attention to employees both on and off the job); are main characteristics or dimensions of the philosophy of the Japanese firms.

The most relevant characteristic of the Japanese philosophy is the consensual decision making. Traits of Japanese's decision making style can be summarized as follows:

- 1.Understanding by everyone of the problem is an essential requirement.
- 2.Collective presentation, discussion, evaluation, and selection of the available alternatives are important in order to reach a consensus decision.
- 3.Implementation of the selected course of action is likely to be quick because of the involvement of all concerned parties in decision making process and their acceptance to the selected decision.

Ouchi described that top managers in Japan direct the organization by asking questions rather than using power to force their own decisions. In fact, top managers act to

99.William Ouchi, Theory Z: How American Business Can Meet the Japanese Challenge (Reading, Mass.: Addison Wesley, 1981).

facilitate the decision making process, rather than act as decision makers.

Group consensus in decision making, the input of all concerned parties in the decision making process, mutual trust between employees and managers, maintaining close contact between managers and employees, and dedicated group efforts towards achievement of the organization's goals, are the underlying factors upon which the Japanese's decision style is based.

Attitudes of some countries towards participation tend to take a form of industrial democracy (a formal and legally sanctioned arrangement of worker representation) or participative management (formal and informal style of face-to-face leadership. Sometimes called shop-floor democracy).(100).

West Germany: Industrial democracy is dominant in West Germany. One-third worker representatives and two-thirds shareholder representatives form a supervisory board which is responsible for setting up a company policy. This condition is applicable to companies that have total employees more than 500.

Scandinavia (Norway, Sweden, and Denmark): In Sweden there is statutory requirement (Industrial Democracy). For instance, companies with more than 50 employees should have work councils consisting of representatives from both management and workers. The main purpose of these councils is to allow all concerned parties to meet on a regular basis in order to solve problems and exchange information.

Participative management also occupies good support in Scandinavian countries. For example, in some factories, autonomous work groups have been implemented. Here employees have freedom and autonomy to make the necessary decisions.

Britain: Union representatives working with management on joint councils (councils are more advisory in nature than policy-making bodies) is popular. The government believes that employees should have a right of representation on the boards of their companies. Some organizations are already moving to meet these recommendations. For example, the post office expanded its board of directors from 7 to 19. Seven of the representatives are from management, seven are from trade union members, two are independents chosen from a list submitted by the government minister responsible for the post office, two are members who represent the consumers' interest, and the last is a chief executive from the management side. Industrial democracy enjoys an increasing

100. Richard M. Hodgetts, Modern Human Relations at Work, 2nd ed. (Chicago: The Dryden Press, 1984), pp. 209-210.

trend in Britain.

The United States: Although in the United States participative management and industrial democracy have both been developed, participative management is popular. In the early 1970s General Foods opened a pet-food plant in Topeka, Kansas, and designed the facilities so that things could be run with a minimum of supervision.

Although the above information does not necessarily reflect the current trends in these countries, the idea behind it is that, this information reflects an important part of this and the next section.

In fact, the above information reflects that the political system of the country plays an important role in determining both the organizations' and peoples' attitudes towards participation. The effects of the political system or the government system on the organizations' and peoples' attitudes towards participation and democracy can be seen through the following points:

1. In the democratic countries local newspapers and magazines have enough freedom to criticize most of the political decisions (Freedom of the Press). In this part of the world if a local newspaper criticizes any government's or political decision, closing the newspaper or stopping the newspaper for a certain period of time until further notice by the Ministry of Information will be the final result.

2. In the democratic countries people can openly talk about their problems, express their feelings, conduct a protest campaign in the streets against most of the political decisions, whenever they feel that these decisions are against the citizen's public's interests...etc. In this part of the world if you conducted a campaign against the increase in the electricity bill, this act at least would result with you being sent to jail.

3. Through CNN we can watch several programmes, interviews, speeches...etc through which presidents of different democratic countries inform their people of different things. As a matter of fact, they inform their people, frankly and officially, of what is really going on inside their governments, what is the logic behind certain decisions, the government's attitudes towards certain events...etc. In some TV interviews these presidents allow the journalists to raise any important questions, criticize the government's decision in respect of any important issue...etc. Can you see these things happen in our countries?. I believe the right answer is yes we see "private and confidential" wherever we go when we seek information.

Can you go directly to and meet the general manager of your organization when you experience a grievance and nobody of the senior managers is trying to help you?. I believe the answer is yes, except that you must go through the proper or bureaucratic channel until you reach the office of the general manager. I am sure by that time you would forget what was your problem, this is of course, if you were able to reach the general manager's office through the bureaucratic channel.

The above points reflect only few examples which can pave the way for making further comparison between what is going on in the democratic countries and what is going on in our nondemocratic countries.

In accordance with the System Theory, XYZ Bank is a subsystem of the Bahrain Monetary Agency; the Bahrain Monetary Agency is a subsystem of the government's ministries & organizations; the government's ministries & organizations are subsystem of the Government of Bahrain...etc, the process can continue until we cover the whole universe. When the political system or governing body of a given country takes a decision, ie. five working days to be implemented across the board, the effect of this decision will be reflected on the government's ministries and organizations, private organizations, people and all parties that come under this system. Not only the decisions of the political system that can affect the subsystems but also the characteristics of the political system can affect all parties that come under this system. The People who live under the democratic political system feel that it is their rights to express their opinions against any political decisions that go against the public's interest. Since they have the freedom to express their feelings against any negative political decisions, we can assume reasonably that their rights to express their opinions against any wrong decisions of their organizations tend to be strong. Industrial democracy, participative management, workers councils, labor unions, supervisory body...etc are good examples of the peoples' rights and power in those democratic countries. Under the nondemocratic political system the people become afraid to express their real feelings and tend to keep quite even if these attitudes or behaviors are at the expense of their rights. When Gulf Air and BAS forced the majority of their employees to take their annual leaves in advance, and some of the employees were forced to take leaves without pay, due to the dramatic decline in the business of these companies which was associated with or caused by the Gulf Crisis, the employees implemented this decision, although most of them were totally reluctant to accept and implement this decision. Do you think this type of decisions could be implemented so quietly and successfully in the democratic countries where the employee has the right to elect the president of his

country?. In GPIC about 20 employees wrote a memo in which they were complaining about a defect in a certain security standard. Next day they had been called by one of the senior managers who informed them that their memo had been cancelled, because it gave the management an impression that those employees who signed off this memo were trouble makers. He also told them that next time if you want to complain about anything you must approach it individually and not in a group. Unfortunately, this example, to some extent, reflects that in this part of the world approaching your management and communicating your point of views in a group are perceived as politics by many managers who claim that they are well educated and civilized.

When there is no support from the political system for the employees' rights which is, most likely, to be the case in most of the nondemocratic countries. For instance, in our nondemocratic countries there is no real labor union, real support for participative management, industrial democracy...etc, in our countries the people become afraid from claiming for their rights. In the nondemocratic countries expressing frankly your point of views, claiming for you rights, complaining about certain issues, saying the truth, criticizing your managers' wrong decisions, not accepting wrong decisions, expressing your feelings about your management's mistakes...etc, are big mistakes which most likely to result in losing your job, receiving low increment or no increment, getting no promotion, or any other aggressive decisions that may affect your working and social life seriously. Fear from the negative consequences, that are most likely to take place against you, as a result of taking a firm and corrective standing against wrong decisions of your organization, is an important characteristic that distinguishes the people who live as human beings in the democratic political system from the people who live as animals in the nondemocratic political system.

We can conclude from the above presentation that to have a good participation system we need a democratic political system in order to encourage the people to claim for their rights, criticize any negative decisions in general and their organizations' decisions in particular, and come up with constructive rather than destructive criticisms or feedback which can benefit the majority of subsystems which come under the main democratic political system. If this is not possible then a legal support from the nondemocratic political system for participation is needed in order to give the employees the legal right and chance to participate in decisions that affect their jobs and social lives.

AMENDMENTS OF THEORY Y AND THEORY X

About thirty years ago Douglas McGregor wrote about two sets of assumptions management makes about employees, which he called Theory X (workers are bad), and Theory Y (workers are good). (101). These assumptions which the managers hold about their employees play an important role in determining the supervisory style that will be applied in controlling the organizations. For instance, if a manager holds Theory X assumptions about his workers, an autocratic leadership style and a rigid control system are likely to be imposed on these workers. If this manager holds Theory Y assumptions about his workers, it is more likely that he will follow a participative leadership style with his employees.

Looking at these theories from the macro perspective, or more specifically from the owners' or shareholders' perspective, can help us to ask ourselves the following questions:

What about if the managers are bad?, if the managers of our organization are bad, how can we control our business?, how can we achieve the desired level of performance and profits, if our managers are not up to the required standard?

I believe most, if not all, of us experience in their working careers unjustifiable serious managerial problems because of working with bad managers. Those who did not work with any bad managers in their working careers, I believe that they were very lucky.

Looking at our organizations from the macro level necessitates the following amendments to Theory X and Theory Y:-

Amended Theory X

- Managers and workers are lazy, dislike work and will try to avoid it if they can.
- Managers and workers lack ambition, prefer to be led, and dislike responsibility.
- Managers and workers should be guided by punishment in order to achieve organization's goals.
- Managers and workers resist change.
- Managers and workers lack creativity and want security above all.

101. Douglas McGregor, The Human Side of Enterprise (New York: McGraw-Hill, 1960).

Amended Theory Y

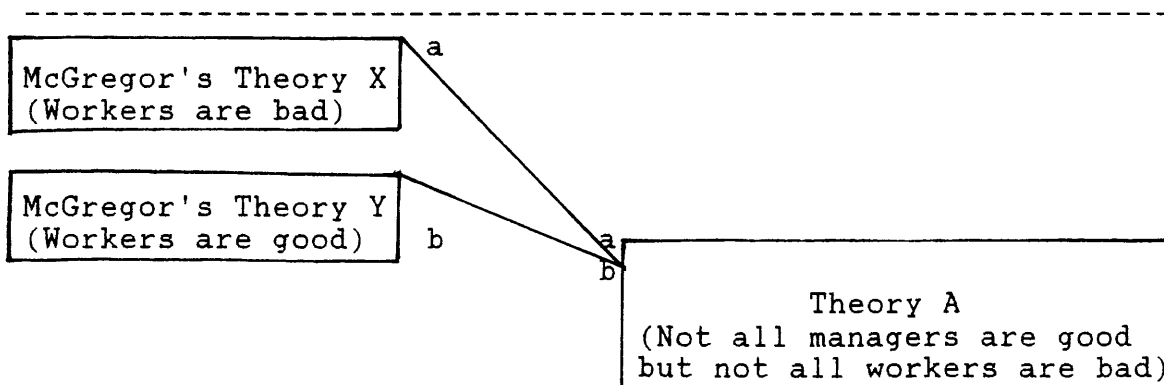
- Managers and workers are ambitious and work is natural.
- Managers and workers seek responsibility and self - control in achieving goals.
- Managers and workers recognize and accept organization's goals.
- Managers and workers are dynamic and flexible.
- Managers and workers are intelligent and possess creative potential.

On the basis of the above amended Theory X and Theory Y we can see that in real working life the following possibilities can exist:

- 1.Managers and workers are good.
- 2.Managers and workers are bad.
- 3.Managers are good but workers are bad.
- 4.Workers are good but managers are bad.
- 5.Not all managers are good but not all workers are bad (Some managers are good and some are bad. Some workers are bad and some are good).

Possibility No.5 is more close to the reality than the other possibilities. Holding assumptions on the basis of possibility No.5, "not all managers are good but not all workers are bad", help us to move McGregor's Theory X and Theory Y downward until they intersect. At the intersection point a new theory called Theory A is created. This idea is illustrated in figure 14.

FIGURE 14 Theory A



In fact, Theory A has been developed on the basis of possibility No.5 which is more realistic and reflects more accurate picture of what is going on in the reality.

The slope of the lines in figure 14 which is similar to the slope of the demand curve implies some important information. It reflects the expected attitudes of the contemporary managers towards the new theory. The implicit message in the slope of the lines can be exposed as follows:

1.The managers who hold Theory X assumptions about their employees may face more difficulties in adjusting their assumptions on the basis of Theory A than their counterparts (the managers who hold Theory Y assumptions). These difficulties in adjusting assumptions on the basis of Theory A is illustrated by less elastic demand curve(a).

2.The managers who hold Theory Y assumptions about their employees may face less difficulties in adjusting their assumptions on the basis of Theory A than their counterparts (the managers who hold Theory X assumptions). These flexibilities in adjusting assumptions on the basis of Theory A is illustrated by more elastic demand curve (b).

The concept of "demand elasticity" is borrowed from the economics to illustrate the flexibility in adjusting assumptions on the basis of the new theory (Theory A).

Holding assumptions on the basis of Theory A can help to change our understanding of both managers and workers. A change which hopefully can lead to a better supervisory and managerial style. Theory A can pave the way for the recommended participative system which will be presented in the next section.

BODY OF KNOWLEDGE

" One of the good employees who works in XYZ Bank went to his manager and asked for a transfer to another department. When the manager asked for the reason, the employee simply said that his job became boring and routine, in addition he had five years of experience in the same job and he wanted to get more experience in the other aspects of the banking field. The manager told him that I can not transfer you to any other departments because I need your help and experience in my department. To satisfy the employee the manager promised him to increase his salary and promote him by the end of the year, provided that he forgets about this transfer."

If you were the manager, what would you do in order to make your employee happy?

I believe increasing salary and promoting the employee will prevent dissatisfaction but it will not motivate the employee in the long run. This is because this employee will be happy when he receives the expected increment and promotion, however, still such material incentives might not provide him with the required solution for his problem. As a matter of fact, this conclusion is based on Herzberg's Two Factors Theory. Having said this if I was in the position of the manager I would apply one of the following methods:

1. Job Enlargement: Giving the employee more of the same general kind of work to increase interest and motivation.

2. Job Enrichment: Adding new dimensions to the employee's work that modify its content. Enrichment primarily affects the work quality and the worker's motivation.

How did I know that there are Herzberg's Two Factors Theory, Job Enlargement, and Job Enrichment?. The answer is simply because I attended MBA programme at the Bahrain University through which I built my body of knowledge in management. This is not a commercial advertisement or marketing for the MBA programme of the Bahrain University, but what I want to say is that "a management is centered around a body of knowledge....Every professional has a body of knowledge...Concept of professionalism is impossible without a body of knowledge....Modern management is based on a body of knowledge".(102).

How can we implement participation in the decision making process, motivation theories, interpersonal skills...etc, if our body of knowledge in the management field is limited?

Management is like engineering, accounting, computer, medicine...etc. In fact, management has its own language, terminologies, theories, techniques...etc. If managers do not possess enough body of knowledge in management, and if we believe in the importance of the body of knowledge in any professional field, then this type of managers will be in real troubles and they will put their organizations in disaster. This is because luck and general knowledge do not always work out successfully in managing the organizations. If an accountant open a clinic, I am sure that you will agree with me that any patient go to this clinic will never come back to his family.

Although the above example is funny, it really reflects what is going on in our society. Bachelor Degree in Arabic Language, P.H.D in English language, Bachelor Degree in Geography, Master in Physics...etc are the main qualifications of the majority of senior managers who manage our organizations. Do you think these qualifications are enough to manage our organizations?

102. Dr. George K. Najjar, Organization Theory Course, first lecture, 28.9.87.

In fact, attending several short courses, in the Bahrain Institute For Banking & Finance, CitiBank...etc, are not enough to develop that kind of body of knowledge that is required for managing our organizations.

No doubt, the MBA programme which was introduced by the Bahrain University in 1987 will help to develop the needed body of knowledge and managers who will manage our organizations in the near future.

We can end this section by saying that we look forward for a transitional period through which we can get a legal support for participation, hold Theory A assumptions, and have a body of knowledge in management. Hopefully, this transitional period will pave the way for participation in managing our organizations.

The next or last section of this project will present recommendations which are based on the legal support, Theory A, and body of knowledge.

RECOMMENDATIONS

RECOMMENDATIONS

Independent Participative Body (IPB), Participative Reciprocal Evaluation System (PRES), and Periodic Meetings with Board of Directors and Designated Major Shareholders are recommended. The notion and logic behind these recommendations will be explained in more details as follows:

INDEPENDENT PARTICIPATIVE BODY (IPB)

Basic Requirements of IPB

1. The IPB should be included as one of the mandatory clauses in the Memorandum and Articles of Association in case of the big size and medium size private sector's organizations, such as banks, insurance companies, public shareholding companies...etc, and in the government's policy in case of the government's organizations. When we deal with small private organizations, The IPB is costly and impractical. Under such circumstances, there should be a clause in the legal documents, such as partnership agreement, sole proprietorship document, commercial registration...etc, whereby the owners of the small private organizations are urged to encourage internal participation in the decision making process.

The main purpose of this basic requirement is to achieve the needed official and legal support for participation in the decision making process.

Participation in the decision making process through the IPB may work out successfully for the big size and medium size private sector's organizations and the government's organizations. In this case, legal and official support for participation in the decision making process is mandatory. However, in case of the small organizations such as restaurants, cold stores, workshops...etc, the disadvantages of mandatory participation in the decision making process outweigh its advantages. Under such circumstances, there should be a clause in the legal documents (already described above) of these small organizations whereby the owners of these organizations are encouraged to implement participation in the decision making process wherever and whenever possible. In other words, flexible rather than mandatory requirement for participation in the decision making process is sought for the small organizations. Criteria such as legal status, number of employees, nature of business...etc, can be considered in differentiating between the small, medium and big organizations.

2. The members of IPB should be professionals (management oriented). This is important because through professionalism we can link the theory with the practice and come up with satisfactory solutions to our ever changing organizations' problems.

3.Independent: the purpose is to get rid of the bureaucratic barriers and restrictions. In other words, the IPB should not come under the jurisdiction of the organization's management. The ultimate aim is to give the IPB's members the full freedom in carrying out their duties and responsibilities.

4.Appointment: the members of IPB should be selected and appointed by designated major shareholders. This complements requirement No.3. If we leave appointment of the IPB's members in the hands of the organization's management, this might affect the degree of independence that should be enjoyed by the IPB's members. This can be attributed to the fact that nepotism is likely to take place and the management may tend to recruit their relatives. When this exists, unfair judgement in respect of the employees' problems might be the final result.

5.Full time staff: the idea is that whenever the employees have problems, they should always find someone to whom they can express their problems. Thus the IPB's members should be full time staff.

6.Accessible: the members of IPB should be accessible by all employees of the organization.

7.The number of IPBs and the number of the members of IPB: standard numbers can not be recommended, simply because it is impractical. The Government of Bahrain, for instance, may need one IPB for each ministry, whereas only one IPB might be appropriate for a private sector's organization such as a bank. The number of the IPB's members can be different from one organization to another. A big size organization may need 7 members, whereas a medium size organization may require only 3 members in the IPB. Criteria such as the size of the organization, financial constraints, nature of the business, nature of the problems, number of the employees...etc, can be considered under this basic requirement. Experience through proper implementation of the IPB can help the organization's management in determining the optimum number.

8.IPB's Office: the members of IPB should have offices inside the organization in order to coexist with the internal working atmosphere and the employees' problems.

Role of IPB

The management of the organization has to manage the business in accordance with its authority. The existence of the IPB does not mean that the management is not allowed to set up an internal participative system, rather the management is encouraged to do so, and can take any decision as long as it falls within its authority.

When the management took wrong decisions that negatively affect the employees, and when the employees have problems, complaints, ideas...etc, but the employees can not find anyone in the organization who can listen and try to help them, under such circumstances, the employees can express their feelings directly to the members of IPB. This does not mean that the employees should first refer to their superiors before they approach the IPB. In fact, it is up to the employees to decide through which channel they should communicate their feelings and problems. Bureaucratic channels which distort information and cause undue delay in making decisions should be overridden and overruled.

The main role of the IPB's members is to listen to the employees problems, ideas, complaints...etc, and then exercise their professionalism by integrating the theory with the practice. Recommendations of the necessary corrective actions will be addressed on a regular basis to the organization's management. Follow up and feedback reports on major issues will be sent to the board of directors and designated major shareholders, regularly, in order to make them aware of what is really going on inside their organization. Copies of such reports will be sent to the organization's management.

If the recommendations of IPB are not implemented properly and there are strong evidences that the employees' problems remain unresolved, in this case, the IPB has the right to interfere, after obtaining the necessary approval from the board of directors and the designated major shareholders, and to take whatsoever corrective decisions to resolve the employees' problems.

Applying McGregor's Theory X and Theory Y on employees alone in order to develop the right supervisory style, is appropriate from the organization's management perspective (Micro Perspective). However, leaving the organization's management to do whatever it wants to do, without building a system through which the negative aspects of the management style can be criticized and corrected, the organization is likely to face serious problems which might threaten its survival in the long run. "Not all managers are good but not all workers are bad" is the right theory from the board of directors' and shareholders' perspective (Macro Perspective).

Benefits And Costs Of the IPB

1. Psychological effects: existence of the IPB will force autocratic and bureaucratic managers to act as human beings and be fair with their employees. Many of the employees' problems might be resolved spontaneously.

2.As human beings, managers tend to hide their incapacibilities and the negative aspects of their leadership style. The IPB can expose the negative side of the organization so that the necessary corrective actions can be made on the right time.

3.Decisions recommended by the IPB are more likely to be satisfactory and viable decisions, since these decisions are based on professionalism.

4.Employees feel that they have enough freedom to express their feelings and ask for their rights. They feel that there is always someone who can listen to their problems and try to help them. The grievances which most of the employees face in our today's organizations can be minimized or reduced to a bearable number.

5.Although employees have indirect participation in the decision making process, this kind of participation is carried out on their behalf by professional and independent members who can influence and play an important role in the management's decisions that affect the employees.

6.Participation through the IPB makes overriding of bureaucratic barriers and restrictions more possible. A participation system which is subject to the bureaucratic control is less likely to function efficiently.

7.The IPB can act as a professional link between the designated major shareholders, board of directors, managers and employees if implemented professionally.

Expenses or cost of the IPB can be covered through its professional contributions towards solving the employees' problems which might result in higher employees' productivity. This does not mean that the aim is to make the employees happy because employees' happiness will be translated into higher productivity. The notion is that the employees' problems might be more important and complicated than any other problems, relating to other organization's assets, which should not be overlooked. Solving the employees' problems can streamline the internal working environment and makes the employees ready to produce more. To take full advantage of this employees' readiness to produce more, there should be specific objectives, challenging jobs, proper planning system, an efficient feedback system, and other managerial issues and methods which should not be overlooked. Higher employees' productivity is consistent with the management's overall strategy, and the board of directors' and shareholders' expectations. In other words, increasing productivity can help to achieve higher profit, pay dividends to the shareholders and remunerations to the board of directors, and survive in the market.

To achieve these objectives, have proper implementation of the IPB, and establish harmony between the management and the IPB, the management should perceive the IPB's members as colleagues and not as enemies. Colleagues from whom constructive criticisms and feedback can be received. The managers should appreciate that their decisions are not always right. Willingness to accept constructive criticisms and feedback should be considered as one of the fundamental traits of modern leadership style.

Acceptance of constructive criticisms and feedback from the members of IPB can make rectifying of mistakes more easy and possible. We should not be afraid of our mistakes, rather we should accept our mistakes and learn how to avoid them in the future. In fact, these perceptions, understandings and attitudes are essential in order to pave the way for today's managers to perceive the recommendations of IPB as constructive feedback and not as interference that limits their authorities.

Someone may ask what should be done if there are conflicts between the members of IPB and the organization's management?

Do we need to create another independent body to resolve these conflicts?

I believe creating another independent body will add new problems rather than solving the original problems. This is because new problems are likely to take place between the IPB and the new independent body. In other words, additional or incremental problems are likely to take place as we add another independent body to the recommended system in which the IPB is built in. Conflicts between the members of IPB and the management of the organization can be referred to and resolved by the board of directors and involvement of the designated major shareholders. Involvement of the board of directors and designated major shareholders in resolving conflicts between the members of IPB and the organization's management is necessary whenever it is needed. The whole notion is that, on one hand, when the employees have problems with their managers, they can refer to the IPB to resolve their problems. On the other hand, when conflicts between the members of IPB and the organization's management take place, these conflicts can be communicated to the board of directors and designated major shareholders for the necessary resolutions. Through this system the room or chance for grievances; inequity; unfair performance appraisal, treatment, salary and position; and other serious problems which can have negative impact on the performance of organization can be limited or constrained.

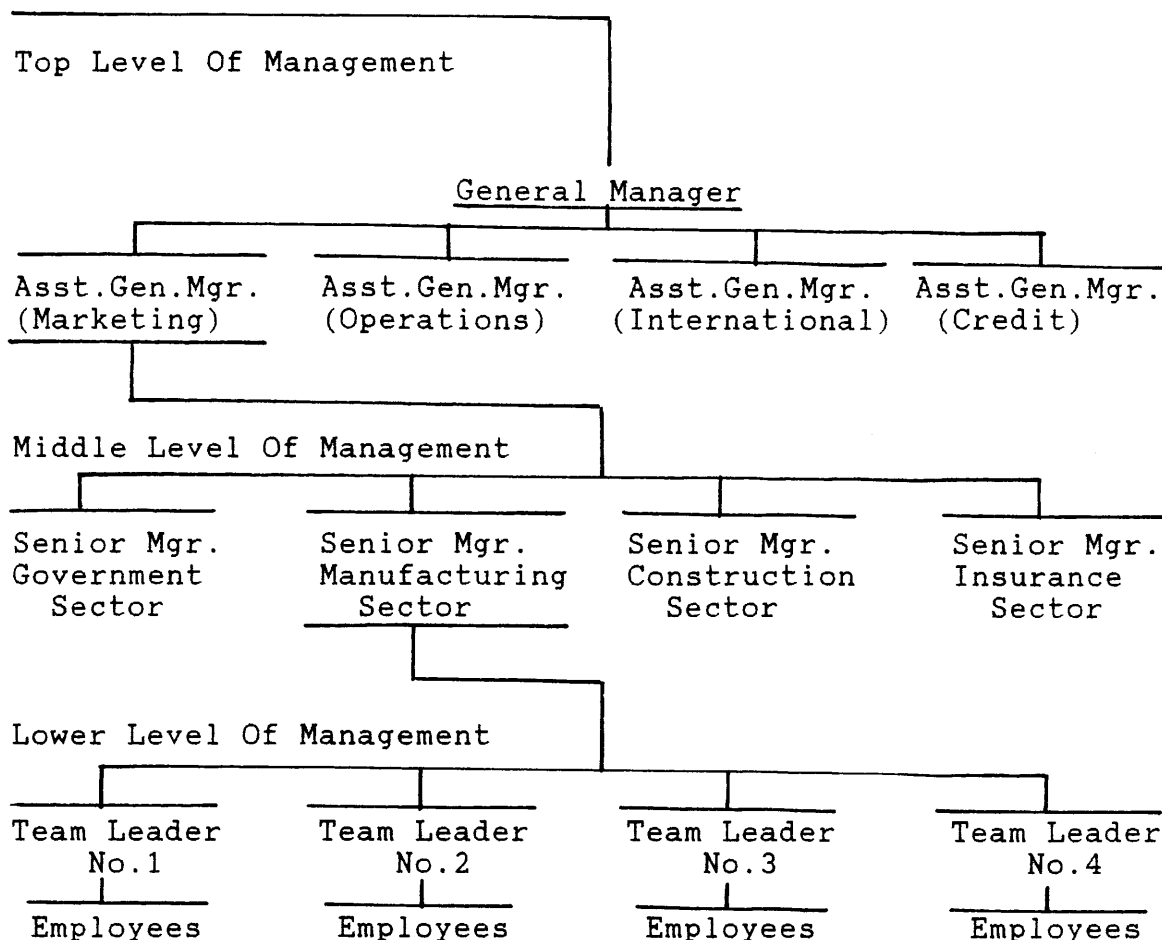
We should accept the fact that it is impossible to get rid of all problems. Today's managers, employees and all concerned parties should appreciate that problems are natural things and an inevitable part of our lives. Sometimes, problems take place between the person and himself when he wants to differentiate between which things are right and which things are wrong. Working in an organization means working with people. Since problems and disagreements take place between the person and himself on several issues, we can infer that the number of problems and disagreements is likely to be greater when this person deals with people, or more accurately when he deals with any number of people more than himself.

Problems of the modern organizations can not be eliminated, however, they can be reduced to an acceptable level through a good participation system. As a matter of fact, a good participation system can minimize the managers' wrong decisions which are the main source of many of the employees' problems (unfair salary, impractical working conditions, limited chance for creativity, inequity...etc) and other assets' problems (financial difficulties, machineries breakdown, bad goodwill in the market...etc).

PARTICIPATIVE RECIPROCAL EVALUATION SYSTEM (PRES)

Why do we evaluate employees through managers and not evaluating managers through employees?. Why do we ask managers about employees and not asking employees about managers?. These questions indicate that there is gap in our prevailing evaluation system. This is simply because the employees are not given the chance to participate actively in the evaluation process.

The employees should be evaluated by their managers and the managers should not be evaluated by their employees. Evaluation is one of the managers' prerogatives and has nothing to do with the employees. This illogical concept can be changed through PRES. In the PRES the higher level evaluates the lower level in the hierarchy, and the opposite is true. In other words, in the PRES the superiors evaluate their subordinates and the subordinates evaluate their superiors. The PRES is not exclusively recommended to cover the lower level of management, rather it can be applicable across the board or for all levels of management. The idea can be explained through the following organization chart which is divided into three levels for the purpose of simplicity and clarity:



The idea behind the PRES implies three types of evaluation which will be explained hereunder by referring to the above organization chart. Different examples will be given below by referring to the above organization chart.

Type 1: Common Downward Evaluation System

The general manager evaluates his assistant general managers, the assistant general manager evaluates his senior managers, the senior manager evaluates his team leaders ...etc.

Type 2: Systematic PRES

The employees who are reporting to team leader No.1 can evaluate their leader and the same is applicable to the other employees. Team leader Nos.1, 2, 3, and 4 can evaluate their senior manager - manufacturing sector. The four senior managers can evaluate their assistant general manager - marketing. The process can continue upward systematically until the general manager is evaluated by his four assistant general managers.

Type 3: Flexible PRES

The employees can evaluate their team leaders, the senior manager - manufacturing sector, the assistant general manager - marketing, and even the general manager. The team leaders can evaluate the senior manager - manufacturing sector, the assistant general manager - marketing, and the general manager. The senior managers can evaluate the assistant general manager - marketing, and the general manager.

The employees who come under the four team leaders can evaluate each other. The same is applicable to the senior managers and the assistant general managers. This type of the flexible evaluations might be applicable when there are lateral relationships between the concerned parties.

Under the Flexible PRES a variety of evaluations (upward, horizontal and diagonal) can be performed in accordance with the needs of the organization. Time and financial constraints, and evaluation accuracy should be considered carefully in selecting the type of Flexible PRESS that will be implemented.

To achieve satisfactory and / or accurate Flexible PRES it is essential to consider the following factors:-

1. **Hierarchy Gap:** the bigger the hierarchy gap between the person who is carrying out the evaluation and the person who will be evaluated, the greater the chance for inaccurate evaluation will be. For instance, the employees' evaluations of the senior manager - manufacturing sector, tend to be more accurate than their evaluations of the general manager. This can be attributed to the fact that the level of communications between the superior and the subordinate helps both of them to understand and know each other. Since the communications between the employees and the senior manager - manufacturing sector, are most likely to be more than the communications between the employees and the general manager, the employees' evaluations of the senior manager - manufacturing sector, are likely to be more accurate than their evaluations of the general manager.

2. **The Type Of Relationship:** for instance, if there is a close or direct lateral relationship between the four team leaders, their evaluations of each other tend to be more accurate and satisfactory than the valuations of other team leaders between whom there is no relationship.

3. **Working Place:** when employees work in the same place their evaluations of each other tend to be more accurate than do other employees who work in different places. Our evaluation of other employees who work in different countries, branches, or even floors of the same organization is likely

to be less accurate than our evaluation of our colleagues who work in the same department or floor. This can be attributed to the fact that our observation plays an important role in determining our judgement and decisions. Our evaluation of things which we can observe is likely to be more accurate than our evaluation of things which we can not observe.

4.Objective Evaluation: for instance, we can not ask the employees who work under team leader No.1 to evaluate the assistant general manager - credit, also we can not ask team leader No.4 to evaluate the senior manager - insurance sector...etc. Subjective evaluation might be the final result if we ask for these types of flexible evaluations. Relationship lines that can be seen through the organization charts can guide us to the proper channel through which we can conduct the Flexible PRES.

Standard evaluation forms should be developed in order to facilitate implementation of the Systematic PRES and the Flexible PRES. Standard evaluation forms should be comprehensible, specific, objective and practical. Name of the evaluator should not appear on the evaluation form in order to avoid subjective evaluation and encourage objective evaluation. The IPB, organization's management and employees can participate in developing these important and sensitive forms in order to path the way for successful implementation.

Systematic and Flexible evaluations can be carried out at different intervals, for instance, monthly, quarterly, semi-annually...etc, in accordance with the needs of the organization. Results of the Systematic and Flexible evaluations should be considered seriously and corrective actions, wherever and whenever necessary, should be taken by the concerned parties.

It is important to clarify that the completed evaluation forms under the Flexible PRES should go to the right persons. This can be seen through figure 15 which is derived from the previous illustration and presentation.

FIGURE 15 Route Of Evaluation Forms

No.	Evaluation	Original Copy	Duplicate Copy
1.	The employees' evaluation of the team leaders.	Senior Manager (Manufacturing Sector)	Asst.Gen.Mgr. (Marketing)
2.	The employees' evaluation of the Senior Manager - Manufacturing Sector.	Asst.Gen.Mgr. (Marketing)	General Manager

cont. FIGURE 15

No.	Evaluation	Original Copy	Duplicate Copy
3.	The employees' evaluation of the Asst.Gen.Mgr. - Marketing.	-> General Manager	-> Board Of Directors
4.	The employees' evaluation of the General Manager.	-> Board Of Directors	-> Designated Major Shareholders

At the end of the evaluation process all results should be sent to the Human Resources Department in order to update the personal files and records of the employees, senior managers, assistant general managers and all other parties who are involved in and covered by the Flexible PRES.

The main notion behind sending the original copy to the first responsible party (ie. the senior manager - manufacturing sector, in evaluation No.1) and the duplicate copy to the second responsible party (ie. the assistant general manager - marketing, in evaluation No.1) is to minimize partial decisions and support constructive decisions as much as possible. Let us assume that most of the evaluation forms that were completed periodically by the employees about their team leader No.4 indicated that this leader was not qualified and not performing his duties properly. Under such circumstances, even if there was a partial relationship between the senior manager - manufacturing sector, and team leader No.4, a fair corrective decision was likely to be made. Why?. This was because the senior manager - manufacturing sector, knew that the duplicate copies of the evaluation forms which were already sent to the assistant general manager - marketing, would reveal what was going on in this department and what kind of actions that should be made. Thus sending the duplicate copies of the evaluation forms to the second responsible party imposes direct pressure on the first responsible party to take fair decisions.

What should be done if there were partial relationships between the assistant general manager - marketing, the senior manager - manufacturing sector, and team leader No.4, and fair decisions were not made?

The answer is that the duplicate copies of the employees' evaluation of the senior manager - manufacturing sector, and the assistant general manager - marketing, which would be

sent to the general manager and the board of directors respectively (as explained through figure 15 in evaluation Nos.2 and 3), could secure making fair decisions. In other words, both the senior manager - manufacturing sector, and the assistant general manager - marketing, knew that making unfair decisions would not be in their favor. This was because such decisions were most likely to generate negative employees' evaluation which would eventually reveal what was going on, or at least expose that there was something wrong, in this department and fair corrective decisions should be made by someone.

The same concept that is implied in figure 15 can be applicable to the Systematic PRES and the other types of flexible evaluations.

The Systematic PRES and the Flexible PRES are in addition to and not replacement of the Common Downward Evaluation System.

The Systematic PRES and the Flexible PRES might encourage an artificial relationship to be created between superiors and subordinates. In other words, the superior might behave in a good and nice manner in front of his employees not because he likes them, but because he aims to get good evaluation reports from them (Higher Lower Artificial Relationship). In comparison with the Common Downward Evaluation System, this expected artificial relationship can not be perceived as a drawback of the Systematic PRES and the Flexible PRES. In fact, the Common Downward Evaluation System might also encourage an artificial relationship but in the opposite direction. In other words, under the Common Downward Evaluation System the employee might behave in a good and nice manner in front of his superior not because he likes his superior, but because he aims to get good evaluation report from him (Lower Higher Artificial Relationship). Since under the PRES we have to continue to apply the Common Downward Evaluation System (and we have the choice to use either the Systematic PRES or the Flexible PRES, or both can be used in accordance with the organization's needs) it is possible to have both the Higher Lower Artificial Relationship and the Lower Higher Artificial Relationship which can be called a Reciprocal Artificial Relationship. Although the PRES might create a Reciprocal Artificial Relationship between the superiors and subordinates, a good artificial relationship is better than a real bad relationship (which is likely to be associated with the evaluation system that is solely based on a downward evaluation concept) as long as there are specific targets and the superiors and subordinates are working properly and efficiently towards achieving their targets.

Giving the employees the chance to participate in the evaluation process, which is the main concept upon which

the PRES is based, can make the employees feel that there is an equilibrium of power.

PERIODIC MEETINGS WITH THE BOARD OF DIRECTORS AND DESIGNATED MAJOR SHAREHOLDERS

Giving the employees the chance to meet with the board of directors and the designated major shareholders on a regular basis. For instance, on a semi-annual basis, can complement and support the idea behind the recommended IPB. Besides, it will give the board of directors and the designated major shareholders the chance to receive inputs from all sources, which will enable them to know exactly what is going on inside their organization.

Giving managers the full power will work out if all managers are good. Since in reality "not all managers are good but not all employees are bad", Theory A, involvement of the employees, the board of directors, and the designated major shareholders in the decision making process becomes necessary. Through the IPB, the PRES, and the Periodic Meetings with the Board of Directors and the Designated Major Shareholders, the desired level of participation of the employees, the board of directors and the designated major shareholders in the decision making process can be achieved.

Holding Theory X about the employees and giving the managers the full power to make whatever decisions they want to make, without building a system through which the managers' wrong decisions (the main source of the employees' and other assets' problems) can be rectified, can spoil the employees, the organization and the managers themselves. How can we expect solutions for the employees' problems from autocratic and bureaucratic managers if these managers are the main problem?. It becomes extremely necessary to create an independent and neutral body through which we can achieve a professional evaluation of the employees' problems, a constructive participation in the decision making process, and satisfactory solutions. Constructive feedback through a good participation system is a good thing for all the concerned parties. The Legal Support, Body Of Knowledge and Theory A can contribute in developing this good participation system which is based on the following:

- 1.Independent Participative Body (IPB).
- 2.Participative Reciprocal Evaluation System (PRES).
- 3.Periodic meetings with the board of directors and the designated major shareholders.

BIBLIOGRAPHY

BIBLIOGRAPHY

Adams, J.S. " Inequity in Social Exchange," In L, Berkowitz, "Advances in Experimental Social Psychology," Vol.2, New York: Academic press.

Anderson, Carl R. Management Skills, Functions, and Organization Performance (New York: Wc.C.Brown Publishers, 1984), pp.43-127.

Argyris, Chris. Integrating Individual and the Organization (New York: Wiley, 1964).

Batty, J. Industrial Administration and Management , 3rd ed. (London: Macdonald & Evans Ltd., 1974), 1991.

Bosses, Wall J. Lexington, MA: Lexington Books, 1986.

Burns, Tom, and G.M. Stalker. The Management of Innovation (London: Tavistock, 1961).

Conger, J.A. "Leadership : The Art of Empowering Others," The Academy of Management Executive, Vol.3, 1989, pp.17-24.

Cornwall, Jeffery R., and Baron Perlman. Organizational Entrepreneurship (New York: R.R. Donnelley & Sons Company, 1990), p.88.

Davis, Arthur K. "Bureaucratic Patterns in the Navy Officer Corps," Social Forces, 1949, pp.144-145.

Deep, Samuel D. Human Relations in Management (London: Glencoe Publishing Co., Inc., 1978), pp.46-54.

Delberg, A. L., A. H. Van de veu, and D.H. Gustafson. Group Techniques for Program Planning (Glenview, III.: Scott, Foresman, 1975).

Dessler, Gary. Management Fundamentals, 4th ed. (Virginia: Reston Publishing Company, Inc., 1985), pp.277-283.

Druker, Peter F. The practice of Management (New York: Harper & Brothers, 1954).

Emerson, Harrington. The Twelve Principles of Efficiency (Dunlap, New York, 1911).

Fayol, Henri. General and Industrial Management (Sir Issac Pitman and Sons, 1949), pp.43-52.

Filipetti, George. Industrial Management in Transition (Irwin: Homewood, III., 1953), pp.75-116.

Frohman, Mark. " Participative Management," Industry Week, 2 May 1988, pp.37-38.

Galbraith, Jay. Designing Complex Organization (Reading, Mass: Addison, Wesley, 1973); and Jay Galbraith, Organization Design (Reading, Mass: Addison-Wesley, 1977).

George, Claude S. The History of Management Thought, 3rd. ed. (Englewood Cliffs, N.J.; Prentice-Hall, 1972), p.157.

Gerth, H. H., and c. Wright Mills. From Max Weber: Essays in Sociology, Oxford University Press, New York, 1958, p.204.

Griffin, Ricky W. Management (Boston: Houghton Mifflin Company, 1984), p.328.

A Handbook of Personnel Management Practice, 1985.

Harrison, E. F. The Managerial Decision-Making process (Boston: Houghton Mifflin, 1975); A.O. Elbing, Behavioral Decisions in Organizations (New York: Free Press, 1970).

Hicks, Herbert G. The Management of Organizations, 2nd. ed. (New York: McGraw-Hill, 1972), pp.392-395.

Hicks, Herbert G., and C. Ray Gullett. Organizations: Theory and Behavior (Singapore: McGraw-Hill International Book Co., 1972), pp.135-424.

Hijres, Jamal M. Job Evaluation System of XYZ Bank, Human Resource Development Course (MGt 518), 1989-1990.

Hodgetts, Richard M. Modern Human Relations at Work, 2nd. ed. (Chicago: The Dryden Press, 1984), pp.36-210.

Koontz, Harlod. "The Management Theory Jungle," Academy of Management Journal, December 1961, pp.147-188.

Korzybski, Alfred. Science and Sanity: An Introduction to Non-Aristotelian Systems and General Semantics, 3rd.ed. (The International Non-Aristotelian Library Publishing Co., Lakeville, Conn., 1948).

Lawrence, Paul R., and Jay W. Lorsch. Organization and Environment (Homewood, III: Irwin, 1967).

Learned, E. P., C.R. Christensen, K.R. Andrews, and W.D. Guth. Business policy: Text and Cases (Homewood, III.: Irwin, 1965).

Likert, Rensis. The Human Organization (New York: McGraw-Hill, 1967).

Locke, Edwin A., and David M. Schweiger. "Participation in Decision-Making: One More Look," Research in Organization Behavior, Vol.1, 1979, pp.265-328.

Maier, N. R. F. Problem Solving Discussions and Conferences: Leadership Methods and Skills (New York: McGraw-Hill, 1963).

March, J. G., and H. A. Simon. Organizations (New York: Wiley, 1958).

Maslow A. Motivation and Personality (New York: Harper and Row, 1954).

Mayo, E. The Human Problems of an Industrial Civilization (New York: Macmillan, 1933); T.N.Whitehead, The Industrial Worker (Cambridge, Mass.: Harvard, 1938); F.J. Roethlisberger & W.V. Dickson, Management and The Worker (Cambridge, Mass.: 1939).

McGregor D. The Human Side of Enterprise (Singapore: McGraw-Hill Book Co., 1960), pp.49-130.

Megginson, Leon C., Donald C. Mosley and Paul H. Pietri, Jr. Management Concepts and Applications (New York: Harper & Row Publishers, 1983), pp.59-73.

Metcalf, Henry C., and L. Urwick. Dynamic Administration: The Collected Papers of Mary Parker Follett (New York: Harper, 1940).

Miner, John B. The Management Process: Theory, Research, and Practice (New York: Macmillan Publishing Co., Inc., 1978), p.76.

Mitchell, Terence R. People In Organizations, 2nd ed. (Singapore: McRaw-Hill Book Company, 1985), pp.220,314.

Munsterberg, H. Psychology and Industrial Efficiency (New York: Houghton Mifflin, 1913).

Najjar, George K. Organization Theory Course (1987-1988); Review lecture, 19-11-1987; and personal interview on 5-1-91.

Osborn, A. F. Applied Imagination: Principles and Procedures of Creative Thinking (New York: Scribner, 1941).

Ouchi, W. Theory Z: How American Business Can Meet the Japanese Challenge (Reading, Mass.: Addison Wesley, 1981).

"Our Cities Awake," Doubleday, Dorna, New York, 1918.

Peter, Thomas J., and Robert H. Waterman, Jr. In Search of Excellence (New York: Harper and Row, Publishers, 1982), pp.91-101.

Porter, Lyman W., and Edward E. Lawler. Managerial Attitudes and Performance (Homewood, Ill.: Richard D. Irwin Inc., and the Dorsey Press, 1968).

Raymond, M. "Human Relations or Human Resources ?", Harvard Business Review, 1965, 43, pp.148-152.

Schendel, D. E., and C.W. Hofer. Strategic Management, a New View of Business Policy and Planning (Little, Brown, 1979).

Scott, J., and Arthur Rochester. Effective Management Skills (London: Cox & Wyman Ltd., 1986), p.7.

Scott, N. G. "Organization Theory: An Overview and Appraisal," Academy of Management Journal, Vol.4 , (1961), pp.7-26.

Stauss G., and E. Rosenstein. "Workers Participation: A Critical View," Industrial Relations, Vol.9, 1970, pp.197-214.

Strauss, G. Personnel: The Human Problems of Management , 3rd ed. (London: Prentice-Hall International, Inc., 1972), pp.633-648.

Tannenbaum, R., and Fred Massarik. "Participation By Subordinates In The Managerial Decision-Making Process," The Canadian Journal of Economics and Political Science, Vol.16, No.3, August 1950, p.414.

Taylor, Frederick W. Shop Management (New York: Harper, 1911); The Principles of Scientific Management (New York: Harper, 1911).

Thompson, J. D. Organizations in Action (New York: McGraw - Hill, 1967).

Urwick, L. F. "Organization and Theories about the Nature of Man," Academy of Management Journal, Mar., 1976, p.9.

Vroom, Victor H. Work and Motivation (New York: John Wiley & Sons, Inc., 1964).

Wakeley, F. H., C. F. Frost, and R. A. Ruh. "The Scanlon Plan for Organization Development: Identity, Participation, and Equity," (East Lansing: Mich.: Michigan State University Press, 1974).

Weber, M. The Theory of Social and Economic Organizations.
Translated by Talcott Parsons and A.M.Henderson.

Wiener, N. Cybernetics, M.I.T. (Cambridge: Mass, 1984).

Woodward, Joan. Industrial Organization: Theory and Practice
(London: Oxford University Press, 1965).

APPENDIX

QUESTIONNAIRE
PARTICIPATION IN DECISION MAKING

	TRUE ---	FALSE ---
1. Participation is a time consuming process.		
2. Participation can lead to a satisfactory solution that may be accepted by both superior and his subordinate.		
3. Participation may create some hurdles against the implementation of the top management decisions.		
4. Employees participation in decision making can lead to weak decisions because lower and middle levels employees are not fully aware and familiar with top management decisions.		
5. Participation is an effective way for making decisions and solving problems.		
6. Participation means transfer some of the power from superiors to subordinates.		
7. Participation may result in job satisfaction and high performance.		
8. participation may lead to internal equity.		
9. The majority of the Bahraini employees are deprived of participation.		

10. Do you encourage employees to participate in decisions that affect their working activities?

YES --- NO ---

11. Can you identify some aspects of your work that may be improved through participation?

	AGREE	DISAGREE
12.Do you need participation in the following areas:-		
a. <u>Determination of salaries.</u>		
b. <u>Creation of challenging jobs.</u>		
c. <u>Development of job evaluation manual.</u>		
d. <u>Designing working conditions.</u>		
e. <u>Decisions about normal working hrs.</u>		
f. <u>Decisions about additional working hours.</u>		
g. <u>Designing and developing of training programs.</u>		
h. <u>performance appraisals.</u>		
i. <u>Development of objectives and goals.</u>		
j. <u>Development of budget.</u>		
k. <u>Development of strategy.</u>		
l. <u>Development of rules and procedures.</u>		
m. <u>Creating an effective communication system.</u>		
n. <u>Creating good interpersonal relationships.</u>		
o. <u>Exchanging of ideas relevant to the organization in general and the job in particular.</u>		
p. <u>Selecting of social facilities.</u>		

13.Can you specify some of the essential factors that should exist in any good participation system?

14.From your experience are there any comments you wish to
make about participation?

"THANK YOU FOR GIVING ME SOME OF YOUR VALUABLE TIME"

Name:-----

Department:-----

SUPPLEMENTARY QUESTIONNAIRE
PARTICIPATION IN DECISION MAKING

1. Please tick one of the following statements:

- a)----- I am satisfied with the present additional
working hours schedule.
- b)----- I am dissatisfied with the present additional
working hours schedule.

2. My ability to participate in decisions relating to the
development of rules and procedure is:

-----Strong -----Moderate -----Limited

3. Do you feel it is your right to participate in development
of the job evaluation system?

----- Yes ----- No

Name:-----

Department:-----