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# Employee participation and managerial style (the key variable)

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## Abstract

Employee participation is in the news because of the stakeholder concept and European legal developments. Argues that for most employees what matters is the working relationship with their boss, rather than indirect forms of representation, such as works councils. If employers are genuine about participation, the prime area of attention needs to be the day-to-day behaviour of line managers. This necessitates reviewing the performance, selection and training of line managers. This is also necessary if indirect forms of participation are to work as they too depend on effective and co-operative line management. Participation also needs to be examined in the context of organisational and national culture and the pressures on an organisation at particular points in time. Too often the topic is addressed as though the objectives can be achieved simply through mechanistic/legal imposition.

## Introduction

The concept of employee participation is a perennial one. Interest has been revived again with the development of the "stakeholder" concept and European developments. The UK is now fully committed to the introduction of European Works Councils. Also the debate has recently revived within Europe about the need to legislate for domestic works councils. Concern about the need to bring an element of democracy into employment is over 100 years old and mirrors the rise of political democracy.

While indirect means of participation, such as works councils, can have a useful role to play this may be of much less significance to employees than the direct involvement that line managers can create. This is not to say that these two types of participation are alternatives, ideally they should complement one another. However, both are dependent on the competence and co-operation of management. The results of a study into joint consultative committees at the Wales Gas Board showed how indirect forms of participation can be just as dependent on managerial style as the potentially more important direct involvement that managers can generate.

It is the line managers whom employees are in day-to-day contact with and who have an immediate impact on the level of involvement of their subordinates in organisational activity and decision making. Key areas are delegation, the level of control exercised, job content, the sharing (or non-sharing) of information, the psychological availability of managers to subordinates, attitudes to risk taking, the way rewards and punishments are administered and the development (or non-development) of subordinates. In some directly participative schemes, such as quality circles and total quality management, there are pressures on line managers to manage in a participative way. However, whether or not such schemes exist, the prime way of achieving effective employee participation is by effective and participative supervision.

To achieve effective and direct employee participation it is necessary to examine the nature of existing management and supervision. Key issues are the level of managerial competence and whether it is or will be supportive to the concept of employee participation. It may also be necessary to consider how strong the case for employee participation is

anyway – variables such as the skills gap between managers and their subordinates and whether employees are geographically concentrated or dispersed may also be relevant factors. Other important issues are the extent to which those with management responsibilities actually accept and perform these duties, selection for these roles, management development and the monitoring of those with managerial responsibilities. It is also necessary for the question to be asked whether employee participation is to be judged as an end in itself, or only legitimate to the extent that it contributes to increased organisational efficiency? This needs to be analysed within the context of organisational and, if appropriate, national culture.

### **How managerial style can support or undermine employee participation – The Wales Gas Board experience**

A way of demonstrating the importance of managerial style is by reference to a study in the operation of joint consultation at the Wales Gas Board (Rees, 1962). Although the Wales Gas Board has long ceased to exist, the results of the investigation are very relevant to the theme of this article and current issues.

The purpose of the Wales Gas Board investigation was to establish why employees had ceased nominating representatives to sit on eight of the 17 consultative committees that had been established. The managers at the gas undertakings where the consultative committees had collapsed maintained that it was not their fault if the employees could not be bothered to nominate representatives to attend the meetings. This then left the Board in breach of its statutory duty to consult with its employees. (At the time nationalised industries and some other industries and services in receipt of government assistance had a duty to negotiate and consult with representatives of their work force. Negotiation at the Gas Board was handled via separate procedures.)

A detailed analysis of the minutes of the 17 committees revealed that the key variable was the managerial style of the local manager who chaired the meetings. Some worked out what they wanted from the meetings and also considered what the employee representatives expected. Other managers clearly saw the meetings as an unnecessary chore and went through the motions of holding meetings without thinking very much of the uses to which they might be put or of what the

employees wanted. The pattern that emerged was remarkably clear. The managers who prepared carefully for their meetings found their committees survived and made a constructive though not dramatic contribution to the organisational arrangements and the welfare of employees. Invariably there were more items initiated by the management side than the employee side. The other eight committees all collapsed.

The analysis of the minutes of the committees which collapsed revealed that invariably more items had been raised by the employee representatives than by local management. The last meeting of one committee ended somewhat dramatically when, after repeated requests for clothing lockers had been turned down, an employee representative commented acidly that it was strange that an employer who could not afford clothing lockers could afford major capital expenditure at the same site. The further issue that emerged was that the joint consultative committees operated where they were least needed – the need for open communication being generally greater at the undertakings where the local managers were unwilling or unable to make their committees effective.

The study revealed a number of issues of general interest. These included the importance of examining the dynamics of formal schemes of employee participation arrangements, the issue of what sanctions there are, if any, if statutorily imposed participative arrangements fail and most importantly the relationship between employee participation and line management.

### **Dynamics of employee participation**

The UK is often criticised for its lack of legislation requiring employee participation particularly, but not only, by partner countries in the European Union. However, the Wales Gas Board study does indicate that there is more to achieving effective employee participation than simply introducing a statutory requirement. What can be crucial is the actual dynamics of employee participation. Impressive looking constitutional machinery for participation and consultation can sometimes just be a charade. One needs to probe into the organisational culture and the style of individual managers in order to determine what is really happening in terms of employee participation.

The operation of joint bodies to consider matters of common interest to employers and employees can be beset with many problems. It can be difficult in practice to isolate matters of common interest from those where the parties have conflicting objectives. For example, future plans may involve rationalisation which may generate economies for the employer and redundancies for some of the workforce. When conflicts of interest like this emerge both parties may have pre-meetings to decide what line they will take at the formal meeting. This may well lead to managements taking key decisions in such pre-meetings and then imposing such decisions at the formal meetings. This is similar to the political practice of the real decisions in local and national government being taken at the majority party meetings which precede public debate.

#### **The relationship between employee participation and line management**

Attention paid to what happens at joint meetings may lead to less attention paid to the relationship between the managers present at meetings and the rest of the management structure. A common complaint by junior managers of the work of joint bodies is that the employee representatives are better informed about organisational plans and decisions than the managers are themselves. Consequently, schemes of employee participation need to be designed and operated in such a way that they re-enforce line management and do not undermine it. This necessitates an integrated approach to employee participation so that formal participative schemes and the activities of line management re-enforce instead of undermine one another. This may involve considerable effort by senior management to make sure that the rest of their managers are briefed, trained and involved adequately in the activity of their organisation.

The dangers of all not being what it seems with regard to employee participation can also be the case with direct methods of involvement. The briefing group concept is essentially about the downward flow of information, and may well be re-enforced by a unitary view of the organisation which does not countenance legitimate conflicts of interest between employers and employees. Critics of Japanese-style team meetings comment about the emergence of a “coerced consensus” (Junkerman, 1990). Accounts of the operation of

schemes of both direct and indirect forms of employee participation may be by the managements concerned and lack independence and critical analysis of the actual dynamics of the schemes described.

#### **The potential contribution of line management to employee participation**

In considering the potential contribution of line management to employee participation it is necessary to re-iterate its key role. Whilst indirect schemes of employee representation may play a useful role if they are set up and run appropriately, this may be a side-show for most employees compared with their day-to-day working activities. Key issues are the competence of the manager or supervisor to whom employees report and the willingness of such “bosses” to seek advice from subordinates when appropriate. Nothing can be more infuriating than for employees to have mistaken decisions imposed on them when they had the information available to avoid the mistakes being made in the first place. There can be a great reservoir of expertise and enthusiasm available to managers if only they have the sense to tap into it. The better managers will do this, but for a variety of reasons the last thing that some will do is ask for help. Even if employees are not able to come up with information or views that would change a decision, their status and working relationship with their immediate manager may be preserved or enhanced by the courtesy of asking their views before a decision, which affects them, is taken. These issues apply to the whole of the management structure. They can be just as relevant at board level as on the shopfloor. They also apply to the lateral contact and co-operation that is necessary within organisations.

Another key aspect of the interface between employee and boss is the way subordinates' jobs are structured. It seems reasonable to suppose that most employees do not want to be frustrated at work and want to make a contribution commensurate with their ability levels. Consequently, the amount of responsibility given to employees and any delegated decision-making powers need to be carefully considered. This also needs to be respected in practice – employees can be infuriated by finding that decisions they have taken in good faith, or should have been allowed to take, have been over-ridden or pre-empted by others. If, however, delegation is

handled appropriately it has the added advantage of developing employees. The more they develop the more can be delegated to them. It is also necessary for managers to consider the way they operate rewards and punishments. Heavy-handed use of punishments, including psychological ones, may influence the extent to which employees are motivated or feel safe to get involved in decision making.

Line managers may also be key to the operation of formal direct schemes of employee participation. These include quality circles, total quality management, briefing groups and team leadership. Such schemes do not always work as intended and this can be for a variety of reasons (Rees, 1996a, 1996b). One study has indicated that even in Japan only one in three quality circle initiatives has succeeded (Collard and Dale, 1985). There are also many recorded failures with total quality management (Rees, 1996a, 1996b). One of the reasons for failure is that the managers, particularly top management, are not really committed to the schemes they have either introduced or are responsible for implementing.

### **Organisational culture and climate**

The overall organisational culture within which managers operate is likely to have a great impact on their individual style. They are likely to take their lead from senior managers and be selected, developed and promoted in line with the overall culture. If the culture is autocratic it is unlikely that they will be easily able to change to managing in a participative way. The problems of doing this may be accentuated if managers have a personal value system that questions the legitimacy of employee participation anyway. If managers also lack inter-personal skills, attempts to train them to be more participative are unlikely to be successful. However, hopefully this is a “worst-case scenario” and positive action which can be taken, including training, is outlined later in this article.

The employee relations climate may also be important. If any organisation is experiencing turmoil and significant employee relations conflict, it may be difficult to simultaneously increase the level of employee participation. This has been illustrated by experiences in the National Health Service where employee participation schemes have had to struggle in a climate of nearly continuous organisational change (see Porter, 1982).

It will be preferable to introduce any new system in a period of calm when both parties can approach the new arrangements in a relaxed manner. Having established arrangements under such circumstances they can then hopefully be used during later periods of change to discuss the issues facing the organisation.

### **National culture**

National culture can also play a part in the nature of working relationships. One way of considering this is to use the same five dimensions as Hofstede (1994) in his survey data drawn from employees of IBM worldwide. His five dimensions are:

- (1) power distance;
- (2) individualism/collectivism;
- (3) masculinity/femininity;
- (4) uncertainty avoidance; and
- (5) long/short-termism.

Employee participation is likely to be most acceptable in low power distance nations where inequalities among people are minimised and subordinates expect to be consulted by their managers. In high power distance societies, subordinates are likely to be separated from their bosses by wide differentials in salary and are likely to have greater reliance on them.

In collectivist societies employees are more likely to be integrated into groups and mechanisms such as quality circles may be more successful in terms of group dynamics. However, if these societies also have high power distance, there may be less expectation that the manager will accept the proposals put forward by the QC. Its role may be more consultative.

In high-femininity societies, managers may be striving for consensus and stress put on equality, solidarity and quality of life. In these societies employee participation will be more acceptable than high-masculinity societies where managers are expected to be decisive and assertive and there is greater emphasis on competitiveness.

As far as uncertainty avoidance is concerned, employees working in such societies may prefer a more directive management style rather than the uncertainty which can be generated when decision making is devolved. Lastly, societies with short-term orientation often demand quick results and may lack the

patience necessary for employee participation which can delay decision making.

Whilst it is difficult to quantify differences in the area of national culture, the long established tradition of democracy in the UK would logically have been accompanied by generally more participative, if informal, working relationships than in some other European countries. The existence of elaborate formal mechanisms elsewhere in Europe, could indeed be seen as necessary because of the lack of a tradition of political democracy and voluntary and informal employee participation at the workplace.

### **Sanctions**

A weakness in any arrangements for statutory provision for employee participation is what sanctions to apply to organisations if schemes fail. This in turn raises the issues of what the criteria are for failure and what monitoring arrangements may be needed to report on failure. Even if sanctions are devised, and it is not obvious what they might be with many issues, there is always the danger of organisations having token arrangements based on a philosophy of minimal compliance rather than desire for employee involvement. This again brings one back to the issue of the spirit in which employee participation is operated. If the intention to promote it is genuine it will be necessary to secure commitment from all levels of management. It will also be necessary to review the whole concept of employee participation and to examine not only the role of line management in operating specific schemes but also their day-to-day working relationships with their employees.

### **Positive action**

If organisations wish to review or develop employee participation, the starting point is to review the potential commitment and competence of their management and management structure. There is little point in trying to do anything if there is not a basic commitment. However, if the will is there it is then important to consider the competence of managers. Key issues are likely to be the identification of managerial roles, and the selection, development and monitoring of managers. In many organisations preoccupation with specialised activity can lead to major failings in these areas (Rees, 1996a, 1996b). Those with managerial responsibilities may fail to identify these responsibilities sufficiently clearly and

get over-involved in specialised activity. If employee participation is worth having, particularly by the constructive involvement of employees on a day-to-day basis, this must become a priority area for managers. This also has implications for the selection, training and monitoring of managers. It would be foolish to elevate the issue of employee involvement as the only important issue but it could be one that is systematically taken into account in selecting and developing managers. The issue of maverick managers who lack common sense in their day-to-day dealings with employees and who ignore formal procedures may also need action by way of appraisal and even discipline.

Having emphasised the importance of employee involvement in their direct relationships with line managers, it is appropriate to consider also the training that managers may need in making formal schemes of employee participation work. This will involve detailed explanation of the formal mechanics of schemes. It may also involve training in other skills such as chairing, communication, grievance handling and consideration of how schemes fit into the overall management structure. It may also be necessary to explain that if employees are to participate in formal schemes they need time to prepare for meetings and to liaise with any people they may represent.

### **Conclusion**

The main theme of this article has been that the key variable in employee participation is managerial style. This is because the greatest opportunity for employees to get involved in issues that affect them is by developing a constructive relationship with their immediate boss. Formal schemes of employee participation, whether indirect, such as works councils, or direct, such as quality improvement schemes or team leadership, also critically depend on the enthusiasm and ability of line management. In assessing the effectiveness of formal schemes it is necessary to find out how they really operate in practice.

If organisations really want employee participation, they need to review the effectiveness and attitudes to involvement of their managers at all levels. Key action points are likely to be the basis on which managers are selected, trained, monitored, and rewarded. It may also be necessary to give formal training

in the mechanics of any formal employee participation schemes and the associated skills to enable them to be run effectively. The concept of employee participation as with so many other issues demonstrates that there is no substitute for competent management. It also underlines the dangers of recommending prescriptive mechanistic solutions that ignore the dynamics of new procedures and the context in which they have to operate.

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