

# The Impact of Participative Management on the Performance of Tehran Regional Water Company's Staff

Farideh Haghshenas Kashani<sup>1</sup>, Hamid Reza Shahsavarani<sup>2,\*</sup>

<sup>1</sup>(PhD in Business Administration), Assistant Professor in Management Faculty of Islamic Azad University, Tehran Central Branch, Tehran, Iran

<sup>2</sup>Department of Governmental Management, Management Faculty of Islamic Azad University, Tehran Central Branch, Tehran, Iran

Received: September 23, 2014

Accepted: December 16, 2014

---

## ABSTRACT

Today's organizations are not able to adapt themselves with peripheral changes by traditional structures. They need to re-structure in order to succeed and to remain, or to equip themselves with new instruments so that they would be able to confront with new evolutions. The purpose of this research is to analyze the impact of Participative management on the performance of Tehran regional water company's staff in 2014. The sampling statistics in this research is the staff of the mentioned company, from which 117 persons are chosen. Data is gathered via two questionnaires: Participative management and staff performance questionnaires, using applied method. The questionnaires used in this research are standard, and its validity is confirmed by university instructors and experts in this field. The questionnaires were distributed among 60 people, and its reliability results were confirmed by Cronbach's alpha and Fisher's precise test. In order to analyze the research hypothesis, Kolmogorov-Smirnov test and Freidman regression were used by the help of SPSS and Excel software. The result of hypothesis test shows that Participative management could have a significant impact on the performance of the company's staff.

**KEYWORDS:** Participative management; organizational performance; ability; clarity; help; incentive; evaluation; validity; environment; Tehran Regional Water Company

---

## INTRODUCTION

Management has been defined as the ability to effectively use of limited sources in order to achieve desirable goals. Is such a management able to use its limited sources effectively so that it can obtain the desirable goals? Which of the managerial, presidential, or participatory systems is able to fulfill managing goals including motivation and productivity? One of the most important challenges of management is paying attention to staff's motivation since it will lead to increase in production, productivity, and to improve services' quality. According to researches done in the two last decades, the positive relation between staff participation in management and their motivation has been proved. Unlike traditional management, managerial system based on participation allows everyone to participate. Participation improves motivation since the staff feel they are part of the organization, and it gives them a sense of ownership. Some factors like absence, job-leaving, etc. would also decrease while, on the contrary, incentive, commitment, job satisfaction, and efficiency would increase in the organization.

### The purposes of the research

#### Main purposes

- Determining the impact of participative management on the performance of Tehran regional water company's staff

#### Side purposes

- Determining the impact of participative management on the ability (the ability to do a duty successfully) of Tehran regional water company's staff
- Determining the impact of participative management on the clarity (understanding the real meaning of role) of Tehran regional water company's staff
- Determining the impact of participative management on the organizational help (the help that the staff need to complete a task effectively) of Tehran regional water company's staff
- Determining the impact of participative management on the incentive (enthusiasm to do a duty) of Tehran regional water company's staff

---

\*Corresponding Author: Hamid Reza Shahsavarani, Department of Governmental Management, Management Faculty of Islamic Azad University, Tehran Central Branch, Tehran, Iran

- Determining the impact of participative management on the evaluation (judging about task-doing) of Tehran regional water company's staff
- Determining the impact of participative management on the environment (interrelation, lawfulness, and legitimacy of manager decision) of Tehran regional water company's staff

### **Analysis of abstract theory & presenting research model**

The basis of theoretic relationship between participative management and its impact on the staff performance is consisted of advanced social and psychological theories presented by management scholars in diverse theories frameworks. Numerous researches confirm the effectiveness of this method in behavior and performance of human source in organizations. (Toosi, 2003, p47)

Participative management can be defined as the process of staff participation in strategic/tactic decisions of an organization. This is an umbrella term that can cover many dimensions including: domain, level, degree, form, basis, and limit of participation. By degree, one means the degree of staff participation; domain means the range of decision; Form indicates direct/indirect participation; and level shows organizational levels in which participation takes place. This process may happen directly, indirectly, formally, informally, and by different degree, level, or limit (Valai Sharif, 2005, p7).

Marshal Sashkin, a behaviourist, added a new dimension to it; he believes staff participation is not only effective, but it is also a moral necessity. He indicated four dimensions: goal-making, decision-making, problem-solving, and organizational evolution (Sashkin, 1984). Participative management is a method in which decisions are made by staff participation (Tadbiri et al, 2005, p123). Participative management is a modern managing system which generally means staff participation in all tasks in a way that the staff gains ability in thinking and deciding (Robbins, 1995, p91). Other definition: "Creating a system by manager in which all the staff, customers, and contractors participate in decision-making and problem-solving" (Sheykh Mohamadi, et al, 2001, p29).

### **Participative management indicating theories**

#### **Content theories of motivation**

Generally, in all content theories of motivation, staff participation is emphasized as an important factor in job satisfaction. It can also lead to improve productivity and efficiency in an organization.

#### **A. McClelland improvement of motivation theory**

One of the motivation theories confirming positive relationship between participative management and staff motivation is indicated by McClelland. He mentions these factors of motivation improvement:

1. Need to gain success: Excellency motivation, gaining result, attempt to succeed
2. Need to gain power: Need to persuade others to do their task
3. Need to friend-making: Being interested in having friendly relationship among staff

Another factor is material bonus. Although people do not reject bonus, it is not enough for them to achieve self-discovery. People kenning on success do not like losing, do not believe in chance, and avoid the tasks which are weather too simple or too hard (Labaf & Ranjbar, 1381, p38).

#### **B. Herzberg two-factor theory**

According to this theory, there are two factors, motivation-hygiene, stimulating professional behavior of the staff in an organization. Herzberg believes factors stimulating real stable motivation in staff are related to the nature of task done by staff; and these factors include: promotion, respect, appreciation, responsibility, and individual improvement (Labaf & Ranjbar, 2002, p38).

#### **Expectancy theory**

One of the modern theories in participation is Victor Room's expectancy theory. According to this theory, one's interest to do according to a fixed method is related to his expectancy of the task, its result, and its attraction. This theory includes 3 variables:

A: individual attempt > B: Individual performance > C: Organizational bonus > Individual goals

According to this theory, one's interest to do according to a fixed method is related to his expectancy of the task, its result, and its attraction. Therefore, there should be a stable incentive to harmonize expectancy with reality.

In his research, Room, chooses the need to freedom and independence of staff as a variable in staff's personality, and evaluates it with participation. The result shows difference in job satisfaction and staff feeling (Labaf & Ranjbar, 2002, p39)

### **Contingency model**

A: Tannenbaum and Schmidt model: It shows seven positions from staff non-participation in decision-making to complete permitting of manager. In a time period, a manager use different kinds of participation in this range. It means different staff has different levels of participation (Broomand, 2004, p7).

B: Contingency theory: This model was first suggested by Room and Philip Eaton in 1973, and completed in 1998 by Jogo's participation. In this theory different methods of managing are indicated while merely one dimension of manager's personality, participation of inferiors in decision-making, is considered.

This model is consisted of five methods:

1. Automatic I- AI Method: Manager decides alone.
2. Automatic II- AII Method: Manager gets information from inferiors, but he decides by himself.
3. Consultative I- CI Method: Manager informs each of inferiors separately, and then he makes a decision.
4. Consultative II- CII Method: Manager makes a group with inferiors to consult, but then he makes decision by himself.
5. Group II- GII Method: Manager makes a group with inferiors to consult and to make decision together.

This model can help managers as a tool to decide to what extend can each of inferiors participate in decision-making (research & management magazine, 2005, p117).

### **Staff Performance**

The most famous definition of staff performance is given by Nellie et al (2002, p8). Staff performance is consisted of advanced social and psychological theories presented by management scholars in diverse theories frameworks. Performance is divided into two parts: 1. efficiency, and 2. effectiveness (Farajollah Rahnavaard, 2008, p.79)

One's interest to do according to a fixed method is related to his expectancy of the task, its result, and its attraction. Factors stimulating real stable motivation in staff are related to the nature of task done by staff (Sadat, 2002). Performance is fulfilling duties in fixed limited time (Armstrong, 2011). Therefore, ACHIEVE model, which has the ability and capacity of gathering data, has been used in this research. ACHIEVE model has been introduced by Hersey and Goldsmith in 1980 in order to help managers to determine the reason of problems and to make strategies to solve them. Hersey and Goldsmith had two purposes:

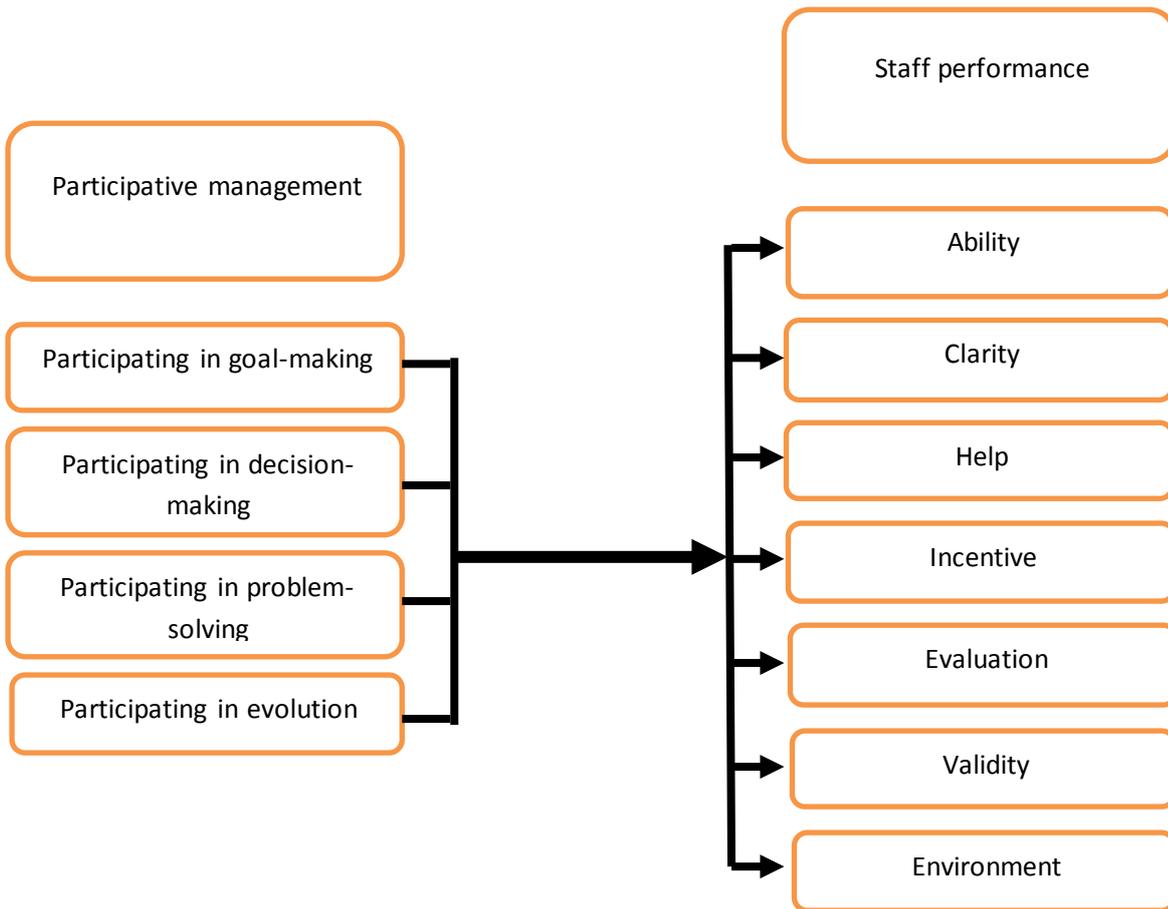
A: Determining key factors influencing staff performance

B: Indicating these factors in a remembering effective way

The first step here is to eliminate the factors that have no impact on management performance. Factors like: ability, clarity, help, incentive, evaluation, validity, and environment. The next step is that managers use them effectively and in a way that one can remember (Hersey & Blanchard, 1999, p423).

Now, by using different models and theories, and by concluding the gathered data and findings, we can present the conceptual model of the research. This framework shows the theoretic relationship between factors and variables including: Participative management and staff performance. Participative management's dimensions according to Sashkin include: participation in goal-making, participation in decision-making, participation in problem-solving, and participation in evolution. And since ACHIEVE model has the ability and capacity of gathering data, has been used in this research.

**Conceptual model**



**Sashkin, 1998**

**Hersey & Goldsmith, 1980**

**Research hypothesis**

**Main hypothesis**

- Participative management has impact on performance of Tehran regional water company’s staff

**Side hypothesis**

- Participative management has impact on staff ability
- Participative management has impact on staff performance clarity
- Participative management has impact on organizational help
- Participative management has impact on staff incentive
- Participative management has impact on staff performance evaluation
- Participative management has impact on organization validity
- Participative management has impact on environment

**METHODOLOGY**

The purpose of this research is to analyze the impact of Participative management on the performance of Tehran regional water company’s staff in 2014. The sampling statistics in this research is the staff of the mentioned company, from which 117 persons are chosen. Data is gathered via two questionnaires: Participative management and staff performance questionnaires, using applied method.

**Research validity**

The questionnaires used in this research are standard, and its validity is confirmed by university instructors and experts in this field. The final questionnaires have been made after the changes done according to their theories.

**Research reliability**

In this research, the reliability of the results was confirmed by Cronbach’s alpha and Fisher’s precise test. In order to analyze the research hypothesis, Kolmogorov-Smirnov test and Freidman regression were used ( $\alpha=05.0$ ).

**Research findings**

In this part, different analytic methods have been used in order to answer the research questions, and in order to confirm or reject the hypothesis. Data is gathered via two questionnaires: Participative management and staff performance questionnaires, using applied method. And in order to analyze the research hypothesis, Kolmogorov-Smirnov test and Freidman regression were used by the help of SPSS and Excel software.

Analysis of research hypothesis:

**Table 1: Normal distribution of variables**

Name	No.	K-S	Sig	$\alpha=0.05$	Result
1 Participative management	117	1.293	0.071	0.05	Normal
2 Ability	117	1.332	0.057	0.05	Normal
3 Clarity	117	1.236	0.094	0.05	Normal
4 Help	117	1.282	0.075	0.05	Normal
5 Incentive	117	1.353	0.051	0.05	Normal
6 Evaluation	117	1.155	0.139	0.05	Normal
7 Validity	117	1.349	0.053	0.05	Normal
8 Environment	117	1.062	0.210	0.05	Normal

Since the (Sig) of all variables are larger than ( $\alpha=0.05$ ), variables distribution is normal.

**Table 2: Consideration of correlation coefficient and independence of errors**

Hypothesis title	Durbin-Watson	Std. Error of the Estimate	Adjusted R Square	R Square	R
1 Participative management has impact on staff ability	1.780	0.64638	0.375	0.380	0.617
2 Participative management has impact on staff performance clarity	2.432	0.50249	0.388	0.393	0.627
3 Participative management has impact on organizational help	1.908	0.51856	0.375	0.381	0.617
4 Participative management has impact on staff incentive	1.602	0.51811	0.446	0.450	0.671
5 Participative management has impact on staff performance evaluation	1.976	0.46619	0.399	0.405	0.636
6 Participative management has impact on organization validity	1.831	0.49628	0.462	0.467	0.683
7 Participative management has impact on environment	1.939	0.79415	0.128	0.136	0.369

**Table 3: Variance Analysis**

Hypothesis title	Sig	F	Mean Square	df	Sum of Squares	Model
1 Participative management has impact on staff ability	0.000	70.602	29.498	1	29498	Regression
			0.418	115	48.048	Remain
				116	77.546	Total
2 Participative management has impact on staff performance clarity	0.000	74.523	18.817	1	18.817	Regression
			0.252	115	29.037	Remain
				116	47.854	Total
3 Participative management has impact on organizational help	0.000	70.687	19.008	1	19.008	Regression
			0.269	115	30.924	Remain
				116	49.933	Total
4 Participative management has impact on staff incentive	0.000	94.228	25.294	1	25.294	Regression
			0.268	115	30.870	Remain
				116	56.165	Total
5 Participative management has impact on staff performance evaluation	0.000	78.167	16.988	1	16.988	Regression
			0.217	115	24.993	Remain
				116	41.981	Total
6 Participative management has impact on organization validity	0.000	100.784	24.822	1	24.822	Regression
			0.246	115	28.323	Remain
				116	53.145	Total
7 Participative management has impact on environment	0.000	18.094	11.411	1	11.411	Regression
			0.631	115	72.528	Remain
				116	83.939	Total

**Table 4: Hypothesis test**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig	Hypothesis title	No.
	$\beta$	Std. Error	Beta				
(Constant)	0.123	0.354		0.348	0.728	Participative management has impact on staff ability	Hypothesis 1
Participative management	1.004	0.119	0.617	8.402	.000		
Dependent variable: ability							
(Constant)	0.828	0.275		3.009	0.003	Participative management has impact on staff performance clarity	Hypothesis 2
Participative management	0.802	0.093	0.627	8.633	.000		
Dependent variable: clarity							
(Constant)	0.308	0.284		1.083	0.281	Participative management has impact on organizational help	Hypothesis 3
Participative management	0.806	0.096	0.617	8.408	.000		
Dependent variable: help							
(Constant)	-0.071	0.284		-0.250	0.8.3	Participative management has impact on staff incentive	Hypothesis 4
Participative management	0.930	0.096	0.671	9.707	.000		
Dependent variable: incentive							
(Constant)	0.763	0.255		2.989	0.003	Participative management has impact on staff performance evaluation	Hypothesis 5
Participative management	0.762	0.086	0.636	8.841	.000		
Dependent variable: evaluation							
(Constant)	0.282	0.272		1.036	0.302	Participative management has impact on organization validity	Hypothesis 6
Participative management	0.921	0.092	0.683	10.039	.000		
Dependent variable: validity							
(Constant)	1.154	0.435		2.655	0.009	Participative management has impact on environment	Hypothesis 7
Participative management	0.624	0.147	0.369	4.254	.000		
Dependent variable: environment							

Since the (Sig) of all variables are larger than ( $\alpha = 0.05$ ), it shows that participated management effect all dimensions of the performance of Tehran regional water company’s staff. These dimensions include: the impact of participative management on the performance of staff, the ability to do a duty successfully, understanding the real meaning of role, the help that the staff need to complete a task effectively, enthusiasm to do a duty of staff, judging about task-doing, interrelation, lawfulness, and legitimacy of manager decision.

**Priority of participative management’s dimensions**

**Table 5: Friedman Test**

number	K2	df	Sig
117	26.84	3	0.000

**Table 6: Priority of participative management’s dimensions**

participative management’s dimensions	average	priority
1 Staff participation in goal-making	2.97	1
2 Staff participation in decision-making	2.16	4
3 Staff participation in problem-solving	2.44	2
4 Staff participation in organizational evolution	2.43	3

**Priority of staff performance’s dimensions**

**Table 7: Friedman Test**

Number	K2	df	Sig
117	88.565	6	0.000

**Table 8: Priority of staff performance**

staff performance’s dimensions	Average	Priority
1 Ability	4.53	2
2 Clarity	4.95	1
3 Help	3.01	6
4 Incentive	2.95	7
5 Evaluation	4.26	4
6 Validity	4.27	3
7 Environment	4.03	5

## Summary & result of hypothesis

**Table 9: Result of hypothesis test**

	Hypothesis	Sig	Result
1	Participative management has impact on staff ability	0.000	Confirmed
2	Participative management has impact on staff performance clarity	0.000	Confirmed
3	Participative management has impact on organizational help	0.000	Confirmed
4	Participative management has impact on staff incentive	0.000	Confirmed
5	Participative management has impact on staff performance evaluation	0.000	Confirmed
6	Participative management has impact on organization validity	0.000	Confirmed
7	Participative management has impact on environment	0.000	Confirmed

By concluding above findings, one can result in one main hypothesis that participative management affects all dimensions of the performance of Tehran regional water company's staff. These dimensions include: the impact of participative management on the performance of staff, the ability to do a duty successfully, understanding the real meaning of role, the help that the staff need to complete a task effectively, enthusiasm to do a duty of staff, judging about task-doing, and, finally, interrelation, lawfulness, and legitimacy of manager decisions in a particular organization. In general, staff participation could help organization to make better decisions, solve its problem better in an effective way, and improve its entire performance.

### Suggestions according to research findings

#### Suggestion for the main hypothesis

Regarding the impact of participative management on staff performance, it is suggested that:

1. The managers of Tehran regional water company pay more attention to participative management to increase the amount of organizational performance.
2. Participative management is used in all regional water companies of the country.

#### Suggestion for 1<sup>st</sup> hypothesis

Regarding the impact of participative management on staff ability, it is suggested that:

1. More analysis is done to find if all staff in all levels has enough knowledge and skill to fulfill a task successfully.
2. Regarding growing rate of staff creativity in participating atmospheres, try to use more creative and innovative staff in participative management.

#### Suggestion for 2<sup>nd</sup> hypothesis

Regarding the impact of participative management on clarity of staff performance, it is suggested that:

1. In order to increase staff understanding, train the staff in all levels about the organizational goals, and the way these goals should be achieved.

#### Suggestion for 3<sup>rd</sup> hypothesis

Regarding the impact of participative management on organizational help, it is suggested that:

1. Participating all staff in decision-making and problem-solving
2. Helping to fulfill mental and physical needs of the staff
3. Allocating enough budget, tools, and equipment
4. Allocating bonus for effective decisions and performance
6. Being up to date and using experts

#### Suggestion for 4<sup>th</sup> hypothesis

Regarding the impact of participative management on incentive, it is suggested that:

1. Paying attention to external rewards and bonus as much as the internal ones

#### Suggestion for 5<sup>th</sup> hypothesis

Regarding the impact of participative management on evaluation of staff performance, it is suggested that:

1. Informing staff of informal evaluation before they confront formal evaluations in order to performance improvement
2. Staff should be trained in order to avoid evaluating problems
3. Staff should be equally informed about negative and positive results

#### Suggestion for 6<sup>th</sup> hypothesis

Regarding the impact of participative management on validity, it is suggested that:

1. Suitability and legitimacy of manager's decisions

2. Suitability and legitimacy of manager's decisions about the staff
3. Choosing staff according to their knowledge, skill, and qualification

### **Suggestion for 7<sup>th</sup> hypothesis**

Regarding the impact of participative management on the environment of Tehran regional water company since it is a Meta geographic issue, it is suggested that:

1. Paying attention to different geographical places, their potentials, and the local human resource of each geographical region in order to have better performance in national schema.

### **REFERENCES**

1. Armstrong, Michel, Strategic Management of human resource, 2011
2. Afjei, Aliakbar & Nasehi, Vahid, Management improvement, no. 47, 48
3. Broomand, Nader, To participative management, Tehran, 2004
4. Tolit, Zavareh & Sheykhmohamadi, Majid, Participatory management, 2011
5. Haghshenas, Farideh, Statistics in management, Avay-e-noor P, 2011
6. Hafiznia, Mohamadreza. Methodology in human sciences, 1999
7. Hanifi, Fariba. Participative management, Tehran, 2002
8. Robins, Stephen P. Organizational behavior, 1st v. Tehran, 1999, tr. by Ali Parsaian & Seyed Mohamad Arabi
9. Robins, Stephen P. Organizational behavior, 2nd v. Tehran, 1999 tr. by Ali Parsaian & Seyed Mohamad Arabi
10. Robins, Stephen P. Organizational behavior, 3rd v. Tehran, 1999 tr. by Ali Parsaian & Seyed Mohamad Arabi
11. Rezaian, Ali. Basics of management, Tehran, 2006
12. Rahnavaard, Farajollah. Participation, 2006
13. Rahnavaard, Farajollah. Participative management, Tehran, 1999
14. Saadat, Esfandiar. Human sources management, Tehran, 2001
15. Sheykhmohamadi, Mohamadreza. Participatory management, Tehran, 2001
16. Seyed Javadi, Reza. Basics of management and staff tasks, Tehran, 2002
17. Toosi, MohamadAli, Participation & Participative management, Tehran, 2003
18. Giverian, Hasan & Sirous Tadbiri. Organizational behavior's management, Tehran, 2005
19. Labaf, Hasan & Rahim Ranjbar. Impact of participative management on staff performance, 2012, no. 35, 36, ps. 33-50
20. Hersey, Paul & Count Blanchard. Organizational behavior's management, tr. by Ghasem Kabiri, Tehran, 1999
21. Hersey, Paul & Count Blanchard, tr. by Ali Alaghemand, Amirkabir P, 1991
22. Valai Sharif, Hamid. Participative management, Tehran, 2005
23. The schema of evaluating governmental staff, 1993