

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

In relation to the research objectives and questions, this chapter discusses some pertinent key concepts and issues related to the thesis. Extensive references to books, journals and on-line materials have been made to explicate related key concepts and issues, such as participatory management, advantages and barriers in participatory management, and organizational commitment.

#### 2.2 Concept of Participatory Management

Participatory management refers to those techniques and practices which increase employee involvement in areas which can improve work practices, managerial decision making processes, and organizational performance standards (Gilberg, 1988). Participatory management is the practice of empowering employees to participate in organizational decision making (Marzano, 2003). This practice grew out of the human relations movement in the 1920s and is based on some of the principles discovered by scholars doing research in management and organization studies such as the Hawthorne effect. Participative management is a process in which influence is shared among individuals who are otherwise hierarchically unequal. Participative management encompasses various employees' involvement schemes in co-determination of working conditions, problem solving, and decision-making (Kim, 2002; Marzano, 2003).

Smith (1969) says that professionally-dominated organizations must shift from the individual to co-operative effort, from delegated to shared responsibility, from

centralized to decentralized authority, from obedience to confidence, from antagonistic arbitration to problem solving and from conducting groups in mechanical models to conducting groups in an organic manner (Smith, 1969).

According to Marchant (1982), the staff's judgment of the confidence and trust their leaders have in them is the most important aspect of participative management. In addition, it is much more than to share authority and decision-making.

Participative management is particularly well suited to science-based organizations whose key staff are noted for their creativity, intrinsic motivation for work that interests them, stronger affiliation with their discipline than their organization, and sensitivity to directive management (Likert, 1969; Siepert 1964; Steele, 1969).

According to Kaplan (1975), participation can be conceived as a process in which power or influence is shared. This is accomplished through the making of decisions in which both management and employees engage. Participation is not incompatible with a hierarchical structure, as is generally assumed. There is merely a shift in the focus of decisions in the organizational segment, and a "diffusion" of authority in which everybody plays a part, but each according to his or her capacity.

Participative management attempts to involve stakeholders toward meaningful involvement (Waters et al., 2003). The unique feature of participative management is that organizational objectives and implementation strategies originate from a group process that is not necessarily comprised solely of senior and middle managers (Gerry, 1979). Participatory management is widely perceived as an attribute of socially responsible organizations (Collins, 1996a) with participation in decision making at the workplace seen as central to the democratic vision and basic to the good society (Greenberg, 1986).

According to Somech (2002), participative management is a complex concept that consists of several dependent yet distinct dimensions; therefore the readiness of

principals to utilize participative approaches to decision making stems mainly from pragmatic motives to achieve valued organizational results.

Participatory management is characterized as a style in which the manager has complete trust in subordinates and much of the decision making is accomplished by group participation (Robert & Moran, 1998).

Kim (2002) defines participative management as "...a process in which influence is shared among individuals who are otherwise hierarchical unequal" (p. 232). Participative Management encompasses various employee involvement schemes in co-determination of working conditions, problem solving, and decision-making. Conversion into a participative organization is seen as a way for an organization to build key capabilities essential for success in the complicated and dynamic contemporary organizational environment (Case, 1998).

According to Dutton (1973), participation is an active co-operation between manager and subordinates in the setting up and pursuit of agreed job-related tasks. Participation is not synonymous with downward consultation. Downward consultation is motivational only to the manager who is trying to make the right decision.

Through a judicious use of participatory management, leaders may make sound decisions by drawing upon the collective expertise, experience, and wisdom of their employees (Lichtenstein, 2000). Saxton (2004) refers to this as the "Participatory Society" wherein stakeholders are routinely involved in key decision-making processes. Likert (1961), proponent of the new theory of participative management, maintains that staff involvement in decision-making yields a high degree of professional commitment, high morale, job satisfaction and increased productivity. In Likert's opinion better results are obtained when an organization uses its manpower as members of effectively-functioning work groups with high performance goals than when its members are supervised on an individual basis.

Participative management has been considered as an alternative method of administration in which the central authority, characteristic of bureaucratic organizations, is replaced by staff involvement in decision making.

Participation is a process through which stakeholders influence and share control over development and other initiatives, decisions and resources which affect them (Rietbergen & Naraya, 1997).

Participatory management is the process of actively involving all subordinates in the decision-making process. It is practiced at all levels of media services and includes both professional and non-professional staff. When subordinates are actually a part of the decision-making process, they become ego involved and attempt to make the best contribution possible for a decision that is as good as it can be (Anthony, 1978).

According to McLagan and Nel (1996), in an authoritarian system, managers think and employees do. In contrast, under participation, people in different positions think at the same time about the same things, but not in the same way. In an authoritarian system, people in senior positions are management; they manage the workplace. In a participative environment, most employees are self-managing. They direct their own workflow. In an authoritarian system, performance is often aimed at the short-term and focuses on the financial gain of shareholders.

In the participative enterprise, performance focuses on the customer, on the adding of value, on beneficiation and on the ability to replenish. People everywhere in the system are equally responsible for creating it.

Somech (2002) delineates five forms of participatory management: decision domain, degree of participation, structure, target of participation, and rationale for the process. Huang (1997) simply separates participatory management into informal and formal types. Formal types would include suggestion schemes, Quality Circles, profit

sharing, stock ownership, labor-management committees, and grievance systems.

Cotton et al. (1988) classify participatory management along six criteria:

- a) Participation in work decisions where workers have significant influence in important decision-making
- b) Consultative participation in which employees have input but little decisional authority
- c) Short-term participation in which temporary arrangements give employees decisional authority – common in specific problem solving and process improvement task force arrangements
- d) Informal participation which involves no formal structure to facilitate participatory management, but where managers are receptive to suggestions
- e) Employee ownership, a form of participatory management in which employees are company stock holders and share in the profits;
- f) Representative participation in which employees do not participate directly, but have formal representation in the decision-making process.

Based on an extensive literature review and meta-analysis, fifteen components of PM had been identified, as follows:

1. Trust
2. Decision making
3. Team work
4. Share power
5. Motivation
6. Communication
7. Involvement
8. Collaboration
9. Democracy

10. Transparency
11. Innovation
12. Respect
13. Problem solving
14. Identify common goal
15. Equalitarian

### **2.2.1 Trust**

Trust is a complex concept. It is related to confident expectation that persons involved in the action will act competently and dutifully (Smith, 2005). Trust in subordinates is believed to be closely related to managerial willingness to employ the participative decision-making processes (Rosen & Jerdee, 1977). Building trust is a sophisticated psychological process, which involves the person who is vesting trust to engage in multiple processes of calculation, predication, and perception about the trustee's intentions and capacity (Doney et al., 1998; Mayer et al., 1995).

Trust in schools is affected by levels of interpersonal trust that are linked, leadership relationships, and organizational effectiveness (Bryk & Schneider, 2002; Smith et al., 2001; Tschannen-Moran, 2001). Work relationships characterized by trust may strengthen cooperation, reduce conflicts, increase organizational commitment and diminish the tendency to leave (Morgan & Hunt, 1994; Tschannen-Moran & Hoy, 2000). When management power is shared; subordinates have opportunity to take advantage of the ability to influence decisions. Given this possibility, managers need to work out whether subordinates are sufficiently trustworthy to participate positively and consistently in the process of empowerment without abusing it. Managers need to trust in the competence and commitment of employees when inviting their participation in the decision-making process (Graen & Uhl-Bien, 1995; Whitener et al., 1998). Based on

the quality and attributes of employees' current behavior, managers may increase their trust in employee dependability. Managers are likely to invite employee participation if they trust in employee dependability.

Stanley (2005) states that trust is a relationship. Trust is considered at the interpersonal level, reflecting the relationship between employer and employee. When teachers do not trust each other, they are not likely to collaborate. Mutual trust in school affects the level of confidence that members show in interpersonal relations, and the work of the collectivity (Larson & LaFasto, 1989). School managers develop and strengthen collective trust that enables more effective collaboration in work (Dee & Henkin, 2001; Katzenbach & Smith, 1993). Trust has been recognized as an important factor for organizational success (Skinner & Spira, 2003). Managers may also need to develop trust in employee loyalty and good faith before they share power with employees and hope that employees will contribute positively to the management process. Perceived employee behaviors of loyalty and commitment to work provide conditions that encourage managers to develop trust in employee good faith (Whitener et al., 1998). Trust enables cooperative human endeavors (Fukuyama, 1996) and is vital to inter-organizational relationships (Blomqvist, 2002; Rousseau et al., 1998). Trust helps promote employee well being especially in terms of reducing stress and strain (Hart & Cooper, 2001). Indeed, research indicates that trust increases social complexity in organization (Luhmann, 1979). Hence, levels of trust among organizational members assist in determining the effectiveness of collective action (Tschannen-Moran, 2001) at both the interpersonal (Granovetter, 1985) and institutional levels (Shapiro, 1987). According to Blevins trust is related to decision-making (Benito, 2005; Eugene, 2001; Dirks & Ferrin, 2002) communications (Eugene, 2001), and collaboration (Eugene, 2001; Henkin & Dee, 2001; Katzenbach & Smith, 1993; Larson & LaFasto, 1989).

### 2.2.2 Decision Making

Decision making is a fundamental process in any organization. The importance of decision making in educational organizations has been recognized as a key function required by administrators. In schools where a clear commitment to student learning is apparent, more teacher participatory decision making is crucial to the overall effective operation of the school. It is defined as the act of sharing decision making with others to achieve organizational objectives (Pashiardis, 1994).

Decision making decreases role ambiguity (Daniels & Bailey, 1999) and conflict and increases knowledge of results. So, uncertainty is reduced and this in turn provides motivational benefits that improve performance (Degeling et al., 2000; Healy & McKay, 2000).

Regarding teachers' decision making, most educational scholars (Somech, 2002) identify two main domains of decision making in school: the technical domain, which deals with students and instruction (e.g., instructional policies, classroom discipline policies, resolving learning problems) and the managerial domain, which deals with school operation and administration (e.g., setting school goals, hiring staff, allocating budget, evaluating teachers).

In a participative process, teachers initiate the improvements to be undertaken and share responsibility for planning and controlling the activities that follow (Sweetland & Hoy, 2000). Accordingly, participation in decision making, which gives teachers more input into the decision-making process, enhances teachers' sense of control (autonomy) on the job (Schermerhorn et al., 1994). Moreover, when teachers are actively called to participate in decision making, their participation ensures that better information will be available for making decisions that facilitate successful teaching and organizational learning (Ford & Angermeier, 2008).



Decision making increases empowerment, productivity, ability, and the development of employee motivation and commitment (Lam et al., 2002). The findings lend support to previous studies by Brown (1996), who found that higher levels of decision making correlated with greater autonomy, task variety and task identity and improves performance effectiveness (Latham et al., 1994).

### **2.2.3 Team Work**

A team may be viewed as a group of individuals who work interdependently to solve problems or accomplish tasks (Gibson & Kirkman, 1999). Teams experience a period of orientation where team members get to know each other and establish procedures and patterns for future interaction, an analysis phase where team members begin to work together to solve problems, and finally, a stage of productivity where decisions are made and projects are implemented (Dee & Henkin, 2001). The responsibilities of teams are quite comprehensive, and may include the distribution of duties, planning and programming of schedules, making decisions about products and services, creating new ideas and solving problems (Tzafir, 2004). Team work offers the potential to achieve outcomes that could not be achieved by individuals working in isolation (Rice & Schneider, 1994; Scarr, 1982). Suggested organizational benefits of teams include increased workplace productivity, improvements to service quality, a reduced management structure, lower level of absenteeism, and reduced employee turnover and increased organizational effectiveness (Bryk & Schneider, 2002; Smith et al., 2001). Team performance may be evaluated against a variety of criteria, such as reducing mistakes, continuous improvement in the quality of outputs, increased productivity, or customer satisfaction.

Research on trust in teams suggests that trust increases the ability of group members to function together, with higher levels of trust resulting in better team

performance, high team satisfaction, and high commitment (Costa, 2003; Dirks, 2000). Teambuilding is a method designed to help teams operate more effectively by improving internal communication and problem-solving skills (Allen, 1998).

Team has characteristics such as clear boundaries, small number of members, shared leadership, collective work products, specific common team purpose, interdependence, active problem solving, direct performance measures, differentiated member roles with definite tasks to perform and individual and mutual accountability. In addition Vairo (2002) stated that team work teaches skills of how to care about others, work with others, adapt to difficult situations, be unselfish, be responsible and dependable, and develop self-discipline.

Teams are needed to improve teachers' motivation and prevent teachers' alliances (Blasé & Blase, 1997). In order to have team empowerment, members of the team must see their work as meaningful, have a sense of making an impact, feel autonomous and have confidence in other team members (Kirkman & Rosen, 2000). Teamwork is frequently considered the best way to deliver superior performance (Henkin & Wanat, 1994; Katzenbach & Smith, 1993; Naquin & Tynan, 2003). Suggested organizational benefits of teams include increased workplace productivity, improvements to service quality, a reduced management structure, lower level of absenteeism, and reduced employee turnover (Gladstein, 1984; Guzzo & Dickson, 1996; Katzenbach & Smith, 1993). Schools and other team-based organizations that emphasize participative management systems and cooperative decision making exemplify the need for multidimensional conceptualizations, and suggest the importance of distinguishing commitment to an employee's work team (or group) from commitment to the employing organization (Bishop & Scott, 2000).

#### **2.2.4 Share Power**

Participation can be conceived as a process in which power or influence is shared. This is accomplished through the making of decisions in which both management and employees engage (Kaplan, 1975). It is a process in which influence is shared among individuals who are otherwise hierarchically unequal (Kim, 2002; Marzano, 2003). Confidence, trust, decision-making and shared authority are the most important aspects of participatory management (Marchant, 1982). Through a judicious use of participatory management, leaders may make sound decisions by drawing upon the collective expertise, experience, and wisdom of their employees (Lichtenstein, 2000). Participatory management means that staff, not only the designated managers, have input and influence over the decisions affecting the organization. It is not the same as communal or co-operative management, where every staff member has the same weight in the decision making process. Through this process, stakeholders influence and share control over development and other initiatives, decisions and resources which affect them (Rietbergen & Naraya, 1997). Teams in schools serve diverse purposes such as management teams involved with administrative issues and participating in management (Zahavy & Somech, 2002). Teams promote the sharing of power for decision making while balancing responsibility and accountability among these groups (Merkel, 2004).

#### **2.2.5 Motivation**

Despite much research during the last two decades, there is still a great deal we do not know about motivation. It remains a mystery, because we all have it, but we all exhibit it at different times, in different degrees, in different ways, and in different contexts. One aspect of the school administrator's job is to discover and nurture

motivation among all the different individuals involved in the educational process. Motivation must be rewarded, increased and sustained at all levels.

The job of a manager in the workplace is to get things done through employees. To do this the manager should be able to motivate employees. But that is easier said than done. Motivation practice and theory are difficult subjects, touching on several disciplines. Performance is considered to be a function of ability and motivation (ACCEL Team, 2007). An exploratory participatory action research study was conducted to assess the effects of participatory management techniques to increase employee motivation for performance improvement (Joan, 1993).

In psychology, motivation refers to the initiation, direction, intensity and persistence of behavior (Geen, 1995). Motivation is a temporal and dynamic state that should not be confused with personality or emotion. Motivation is having the desire and willingness to do something; it can be defined as the process of activating, maintaining and directing behavior toward a particular goal. Thus motivation refers to a state that directs the behavior of the individual towards certain goals. Motivation starts with the desire to be free, to be free from dependency on others, free to live the lifestyle we dream of, and free to explore our ideas. Total freedom is not possible nor desirable, but the struggle to achieve that ideal is the basis for motivation (Webb, 2000).

According to Ormrod (2003), motivation in education can have the following effects:

1. Direct behavior toward particular goals
2. Lead to increased effort and energy
3. Increase initiation of, and persistence in, activities
4. Enhance cognitive processing
5. Determine what consequences are reinforcing
6. Lead to improved performance

There are two kinds of motivation, namely intrinsic motivation and extrinsic motivation. Intrinsic motivation occurs when people are internally motivated to do something because it either brings them pleasure, they think it is important, or they feel that what they are learning is morally significant. Intrinsic motivation arises from satisfaction due to one's own behavior. Extrinsic motivation comes into play when people are compelled to do something or act a certain way because of factors external to them (such as money or good grades). Thus, extrinsic motivation occurs when motivation arises because of external rewards.

### **2.2.6 Communication**

Communication is one of the most important concerns of managers and workers in the virtual organization (Cascio, 1999, 2000; Fritz et al., 1998; Staples, 2001; Townsend et al., 1998). The discipline of communication focuses on the context of organizations and their communication processes (Miller, 1999, p. 1). It can be seen as both “a way to describe and explain organizations” and an approach to “communication as a phenomenon” in organizations (Deetz, 2001, p. 5).

Being an indispensable attribute in successful alliances, communication has thus been described as a core competence in alliance building (Rule & Keown, 1998). From a resource-based view perspective, communication represents one essential resource for the relationship (Amis et al., 1997; Hutt et al., 2000). Price (1997) defined organizational communication as the degree to which information about a job is transmitted by an organization to its members and among the members of an organization.

Communication is vital to the effective implementation of organizational change (DiFonzo & Bordia, 1998; Lewis & Seibold, 1998; Schweiger & Denisi, 1991). According to Francis (1989) organizational communication commonly has two goals (De Ridder, 2003). The first goal of organizational communication should be to inform

the employees about their tasks and about the policy and other issues of the organization. They define internal communication as “employee relations, statements of mission and organizational development” (Cheney & Christensen, 2001, p. 231). Morgan and Hunt (1994) as cited in Ball (2004), proposed that communication was an antecedent of trust, along with shared values and lack of opportunistic behavior. Organizations must build trust among workers (Cascio, 2000; Handy, 1995; Holton, 2001; McCready et al., 2001; Nilles, 1998; Staples, 2001). Building trust requires frequent (Staples, 2001) and high-quality communications (Nilles, 1998).

Poor organizational communication has been found to lower organizational commitment (Kramer, 1999; Rodwell et al., 1998). In addition, the level of organizational commitment has been found to positively influence job performance (Yousef, 2000) and negatively influence job stress (Sager, 1990). There is a lack of research on the relationship between organizational communication and commitment; until now few studies have supported a relationship between communication satisfaction and organizational commitment (Downs et al., 1995).

### **2.2.7 Involvement**

Employee involvement is recognized as an important enabler of quality management initiatives. Research shows the effect of employee involvement practices on quality comprehensively (Sumukadas, 2006). Employee involvement research has tended to center on employee involvement as the antecedent to outcomes such as job satisfaction, cooperation, retention and quality of work life (Dawkins & Frass, 2005). Participatory management can be defined as a system engaging employees as willing co-producers of a better future (Oosthuizen & du Toit, 1999). Participatory management encompasses various employee involvement schemes in co-determination of working conditions, problem solving and decision-making (Kim, 2002). Participatory

management should be noted towards meaningful involvement (Kim, 2002; Marzano, 2003; Waters et al., 2003). Participatory management refers to those techniques and practices which increase employee involvement in areas which can improve work practices, managerial decision making processes, and organizational performance standards (Gilberg, 1988). Participation is motivational only to the manager who is trying to make the right decision and get it accepted by the group. Participation demands real commitment by everyone involved (Dutton, 1973). Participatory management is a new theory; it maintains that staff involvement in decision-making yields a high degree of professional commitment, high morale, job satisfaction and increased productivity (Likert, 1961). It is the process of actively involving all subordinates in the decision-making process (Anthony, 1978).

#### **2.2.8 Collaboration**

Successful and unsuccessful organization pursue very different approaches to avoiding disputes, handling differences and encouraging collaboration (Coulson-Thomas, 2004). The use of the word collaboration may lead to confusion because it refers to how teachers are carrying out a specific task or activity, not the nature or purpose of the activity. Friend and Cook's (1992) definition of collaboration is intentionally general and takes this into account: "interpersonal collaboration is a style of direct interaction between at least two co-equal parties voluntarily engaged in shared decision making as they work toward a common goal" (p. 5). They clarify this definition by detailing several defining characteristics. As teachers collaborate, they practice the skills involved in the development of expertise, thus enriching their thinking processes and transforming the knowledge of individual teachers into organizational knowledge (Moran, 2000).

Participatory approaches enhance the levels of trust (Blase & Blase, 2001; Marchant, 1982; Tschannen-Moran, 2001) and high levels of trust establish strong networks and collaborative relations among the members (Dee & Henkin, 2001; Eugene, 2001; Hargreaves, 2001; Naghipoor, 2003). In addition, participatory management encourages decentralization and implementation of collaborative school governance (Anderson, 1998; Chan & Chui, 1997; Walker & Dimmock, 2000). These collaborative communities provide opportunities for teachers to reflect deeply and critically on their own teaching practice, on the content they teach, and on the experiences and backgrounds of the learners in their classrooms (Putnam & Borko, 1997). Teachers also need training and the opportunity to learn new roles and skills. When these potential costs are managed effectively, collaboration can invigorate a school and transform it into a dynamic community. Knowing when and how extensively to involve teachers will make moving toward more collaborative styles of management more productive in facilitating organizational learning (Moran, 2000).

Sometimes the potential benefits of involving teachers in school-level decision making come with costs of time and effort. Fullan and Stiegelbauer (1991) present evidence that large-scale participation is sometimes counterproductive. Suggestions for managers and participants about how to run an effective collaboration are as follows:

1. Choose a subject for which the method can be effective
2. Define and agree on the purpose of the collaboration
3. Agree roles and expectations
4. Agree challenging but achievable targets which are easily measurable
5. Prepare to hit the ground running at the first meeting
6. Organize meetings and contact between the two parties carefully
7. Use existing data and develop measurement skills
8. Focus on change



9. Sustain the changes to survive individual leaving
10. Learn skills and plan (Vretveit, 2002).

### **2.2.9 Democracy**

Beetham (1999) suggested that the defining principles of democracy are that “all citizens are entitled to a say in public affairs, both through the associations of civil society and through participation in government. In a democracy, supreme power lies with the people, all of whom have a right to freedom, equality, and a voice that will be heard and respected.” The concept democracy was developed in terms of a new set of beliefs. These include “flattening the hierarchy”, shared leadership, accountability and participatory management (Adriana, 1999). Democracy is the best instrument for guaranteeing freedom, respect for human rights, welfare and security (Reychler, 1999). Such organizational provisions and protections are not only more significantly likely under democracy; they are only possible with some considerable degree of democracy (Diamond, 1995). Inclusive organizations operate with democratic principles. They value the importance and involvement of each person in the process of governance (Carter, 1996) and put power in the hands of the people. The essence of democracy is a widely distributed sense of ownership, self-rule, and freedom. It is a governance system that is designed as a hedge against the abuse of power (Block, 1993) and assumes that each person is capable and responsible. The democratic values of freedom and independence contradict the colonial, patriarchal strategies used to manage hierarchical organizations, which have dominance and submission built into the system. According to Sklansky (2005) both workplace democracy and participatory management refer to efforts to allow employees involve in decision-making. One can design a system of democracy that promotes moderation and compromise through the incentives generated

(Sisk, 2003). According to Collins (1996b) there is a linkage between the concepts of participation, democracy and empowerment.

Democracy is a benefit of participatory management (Bartle, 2007). Participatory democracy strives to create opportunities for all members of a group to make meaningful contributions to decision-making, and seeks to broaden the range of people who have access to such opportunities. The principles of empowerment, democracy and equity are important to move health promotion in schools (Rasmussen & Rivett, 2000). Participation in decision making at the workplace is seen as central to the democratic vision and basic to the good society (Greenberg, 1986). Participation in the workplace and school will better align us with an enlightened vision of freedom and democracy, helping to create the genuine democracy that nurtures human progress (Simmons, 1999; Wood et al., 2004). Participatory approaches increase authority, freedom and autonomy for organizational members to make decisions affecting their work (Matthews et al., 2003; Wood et al., 2004). The increasing popularity of participatory approach and teamwork in school reflects the widely shared democracy ideology (Zeichner, 1991). Participatory approach is seen as an instrument to keep the democratic method working. Democracy according to participatory theory must have full participation in order to obtain the required psychological effect from the participation (Pateman, 1970).

#### **2.2.10 Transparency**

The key instruments in managing public fear and panic were transparency and trust. Maintaining transparency and nurturing trust did not come easy (Menon & Goh, 2005). Transparency is fundamentally about empowerment and trust. A Path to Public Trust is a tool that can be used to help develop an appropriate approach to transparency for an organization. The fundamental management system process of Plan-Do-Check-

Advance serves as an effective framework for developing a strategic approach to transparency (GEMI, 2004).

Transparency of understanding is publicly and interactively achieved through carefully orchestrated visible and audible behaviors (Ucok, 2006). Leadership and governance, employee relations, and performance reporting have been identified as the three key elements of transparency (GEMI, 2004). Schuler suggests that the participatory approach is related to transparency, and therefore, the more participation the lower the levels of ambiguity (Nykodym et al., 1994; Schuler, 1980). The participatory approach is suitable to transparency; administrators can improve care by increasing transparency (Jaffe et al., 2006).

From another perspective, transparency is a benefit of participatory management (Bartle, 2007; Bessire, 2005; Christensen, 2002). According to Berggren and Bernshteyn (2007) modern organizations are taking steps to drive organizational performance through increased efficiency delivered by increased transparency.

Transparency is the openness of an organization with regard to sharing information about how it operates. Transparency is enhanced by using a process of two-way, responsive dialogue. Some purposes for transparency are suggested as follows:

- To enable informed decisions by internal and external employee
- To empower employees to influence decisions that will affect their lives
- To share critical information with employee
- To fulfill the public's right-to-know and understand
- To aid understanding of internal data processes, benchmarks, etc.
- To allow for consumer education and informed choice
- To allow for assessment of performance (GEMI, 2004).

When organizations set out to manage their communications in accordance with the corporate ideal, they seem to take for granted that they are transparent, not only to their surroundings but also to themselves. Discussing the notion of transparency both as a condition and as a strategy enables one to deconstruct conventional assumptions associated with the use of the term (Christensen, 2002).

#### **2.2.11 Innovation**

Innovation is generally understood as the introduction of a new thing or method. Innovation is the embodiment, combination, or synthesis of knowledge in original, relevant, valued new products, processes, or services (Luecke & Katz, 2003). Innovation means bringing into effect new and more effective products, services, or approaches. Continuous innovation allows companies to adapt to constantly changing conditions. According to Montano (2006) innovation is the staging of value and/or the conservation of value. In the organizational context, innovation may be linked to performance and growth through improvements in efficiency, productivity, quality, and competitive positioning.

While innovation typically adds value, it may also have a negative or destructive effect as new developments clear away or change old organizational forms and practices. Organizations that do not innovate effectively may be destroyed by those that do. Hence innovation typically involves risk. Failure is an inevitable part of the innovation process, and most successful organizations factor in an appropriate level of risk. Innovation helps organization to enhance teambuilding efforts. Teamwork and innovation go hand-in-hand. Where you have innovation, you almost always find cross-functional and specialist teams working together to carry it out (Barnecut, 2002).

Innovation typically involves creativity, but creativity is not the same as innovation. In fact, innovation involves acting on the creative ideas to make some

specific and tangible difference in the domain in which the innovation occurs. According to Amabile (1996) all innovation begins with creative ideas and it is the successful implementation of creative ideas within an organization. In addition such factors as trust, group openness, instructional leadership, involvement, and achievement have been cited as influential in school transformation (Peterson, 1997; Watson, 2000). Participatory management increase creativity and innovation (Likert, 1969; Siepert 1964; Steele, 1969). In the participatory approach, teachers' attitudes toward involvement and taking responsibility in decisions with regard to the introduction and conduct of educational innovations (Geijsel et.al, 2003).

#### **2.2.12 Respect**

Respect can be defined as consideration for self and of others. Respect includes consideration for other people's privacy, their physical space and belongings; and respect for different viewpoints, philosophies, physical ability, beliefs and personality (Balovich, 2006). In addition, respect expresses appreciation when a subordinate does a good job (Albanese, 1975) and shows thoughtfulness and consideration to others and supports their ideas. Respect is not just about being nice; it is also about listening to and considering using employees' advice. If employees do not respect their manager, they will not follow instructions, and the manager will end up being blamed for tasks not completed. However, managers cannot be too mean because their employees will end up losing respect for their manager. Managers have to be tough but fair, and they always have to be respectful to their employees. They may be the manager's employees, but they are still people, and managers have to treat them with respect if they expect to get it in return (Kosdrosky, 2007). Participatory management is one measure on which teachers and administrators agree in large part and it has helped to replace communication barriers with openness, respect, honesty and trust (Dondero, 1997).

Managers who promote employees' viewpoints, support their staff and limit the impact of office politics show they value and respect their team members

Managers need to earn their employees' respect and hopefully friendship, but they also need to crack down and make them complete their tasks when they need to be completed. The employees have to respect the manager. A combination of skills in leadership, goal setting, personality management, team building, and crisis management make a great manager (Kosdrosky, 2007).

According to Balovich (2006) some of the qualities of a good manager include:

- a) Wanting to see employees grow and succeed
- b) Matching the right people with the right job
- c) Defining desired outcome while giving subordinates the latitude to accomplish them in their own ways
- d) An excellent manager does all this and also brings people together by displaying and demanding respect in the workplace.

### **2.2.13 Problem Solving**

Problem solving forms part of thinking. It is part of the larger problem process that includes problem finding and problem shaping. Problem solving is defined as a process used to obtain a best answer to an unknown, or decisions subject to some constraint (Mourtos et al., 2004).

Problem solving is the process of obtaining a satisfactory solution to a novel problem, or at least a problem which the problem solver has not seen before (Woods, 1975). Harris (1998) states that solving a problem means representing it so as to make the solution transparent. A problem is an opportunity for improvement. A problem is the difference between your current state and your goal state. A problem results from the recognition of a present imperfect and the belief in the possibility of a better future.

Problem solving has a time and a place. Problem solving has an agenda. Problem-solving is task-oriented; it is not a power struggle. Problem-solving has two distinct phases: a problem definition phase and a problem solution phase. Problem solving requires collaboration and it requires that each problem being discussed is seen as a mutual problem (Counseling Services, 2007).

Problem solving is a process in which we perceive and resolve a gap between a present situation and a desired goal, with the path to the goal blocked by known or unknown obstacles. In general, the situation is one not previously encountered, or where at least a specific solution from past experiences is not known. In contrast, decision making is a selection process where one of two or more possible solutions is chosen to reach a desired goal. The steps in both problem solving and decision making are quite similar. In fact, the terms are sometimes used interchangeably (Huitt, 1992).

The participatory approach uses the organization's collective knowledge to better solve organizational problems (Ford & Angermeier, 2008). Most models of problem solving and decision making include at least four phases (Branford & Stein, 1984): 1. an Input phase in which a problem is perceived and an attempt is made to understand the situation or problem; 2. a Processing phase in which alternatives are generated and evaluated and a solution is selected; 3. an Output phase which includes planning for and implementing the solution; and 4. a Review phase in which the solution is evaluated and modifications are made, if necessary. Most researchers describe the problem-solving/decision-making process as beginning with the perception of a gap and ending with the implementation and evaluation of a solution to fill that gap. According to Mourtos et al. (2004) there are six phase of problem solving , namely:

1. Define the problem
2. Explore the problem

3. Plan the solution
4. Implement the plan
5. Check the solution
6. Evaluate / Reflect

The problem-solving techniques are most powerful when combined to activate both the logical/rational and intuitive/creative parts of the brain (Wonder & Donovan, 1984).

#### **2.2.14 Identifying Common Goal**

An objective or goal is a personal or organizational desired end point in development. It is usually endeavored to be reached in finite time by setting deadlines. In an organization, it may be an effective tool for making progress by ensuring that participants are clearly aware of what is expected from them, if an objective is to be achieved. To be most effective, goals should be tangible, specific, and realistic and have a time targeted for completion. There must be realistic plans to achieve the intended goal. To define together common goals and targets for the group identifying shared interests and expectations is very important.

One of the four areas of participation is goal setting. Employees can take part in establishing a goal for a task, designing a job or even the speed at which the work should take place. Next, employees can take part in making choices among alternative courses of action presented to them such as working hours, placement of equipment or simply choices between set alternatives to complete a routine task. Third, employees can take part in solving problems, which involves defining the issues and setting the alternative courses of action. Finally, participation may involve making organizational changes, such as setting company policies that might involve hiring, layoffs, profit



sharing or investments. Employees may participate in any or all of these four areas at any one time (Cotton et al., 1988; Sashkin, 1984).

Participative management supports employees in realizing shared goals (Duke et al., 1980; Gamage, 1996; Hargreaves & Hopkins, 1991; Kefford, 1985; Lindelow & Bentley, 1989). The unique feature of participative management is that it involves employees in setting organizational objectives and implementation strategies (Gerry, 1979). Participation can also take the form of management by objectives, the process whereby both the higher and lower echelons of an organization identify common objectives, define areas of responsibility and use those yardsticks as guidelines for making the various services work (Odiorne, 1972).

#### **2.2.15 Equalitarian**

According to McLagan and Nel (1996), in an authoritarian system, managers think and employees do. In contrast, under participation, people in different positions think at the same time about the same things, but not in the same way. In an authoritarian system, people in senior positions are management; they manage the workplace.

In participatory management power inequities are balanced (Harchar & Hyle, 1996). Participative management is a process in which influence is shared among individuals who are otherwise hierarchically unequal (Kim, 2002; Marzano, 2003). Participatory management increase authority, freedom and autonomy for organizational members to make decisions affecting their work (Matthews et al., 2003; Wood et al., 2004). Therefore persons operate like a team, and decisions are made somewhat democratically up to a point. This style is usually successful at negotiating compromises. As an Equalitarian manager, you give your employees choices. The

atmosphere in the organization is team spirit. Communication style is open and effective managers and employees are good at negotiating compromises.

### 2.3 Why Participatory Management?

According to a research done by Marchant (1982) on participative management in information services, the service improves where staff is involved in decision making. Management can now be released for broader, more important activities. Participative management helps to eliminate or lessen the feeling of hostility towards orders imposed from above and it helps employees to feel able to drop their defenses and expend their energy productively instead. A number of benefits can be derived from participatory management. These include:

- Participatory management is critical to the struggle to improve the effectiveness of projects (particularly design, implementation, monitoring and evaluation, and outcomes as against outputs).
- Feelings of being needed and wanted and that everyone's opinions count will promote ownership.
- The whole is greater than the individual part. Decision making therefore benefits from wider range of knowledge, information and experience. A related benefit is the increase in choices and opportunities.
- The project impacts on project stakeholders, especially primary beneficiaries, will be improved greatly through stakeholder involvement in decision making.
- Participatory management promotes the adoption of problem solving, rather than a predictive blueprint approach to management to ensure flexibility, and maintain the ability to adapt to constantly changing realities.
- Participatory management increases local capacity and empowerment. Participatory management has to be introduced in which power is shared, everyone is

given an opportunity to participate, work is conducted by consensus and multidisciplinary teams are utilized to implement processes. Implementing participative management practices is also known to yield the following benefits: heads cannot easily manipulate people (Watkins, 1985); teachers are given a sense of control over their own working lives (Weiss et al., 1992); power inequities are balanced (Harchar & Hyle, 1996); and additional resources become available to the organization (Lienhart & Willert, 2002).

Conversion into a participative organization is seen as a way for an organization to build key capabilities essential for success in the complicated and dynamic contemporary organizational environment (Case, 1998).

## **2.4 Barriers to Participatory Management**

Barriers to participatory management are usually of three types: controllable, uncontrollable and capable of being influenced. Controllable factors may include inadequate time with employees as well as lack of training and interest on the part of employees.

Uncontrollable factors may be the reputation of the department, structure of media services, and the area of service within the organization. Barriers one can influence may be lack of knowledge in participatory management by a supervisor, organizational climate that is not conducive to participatory management, and a supervisor who is unwilling to spend the time to practice participatory management. The following list shows the possible barriers to participatory management (Schmid, 1980).

### ***Organizational Barriers***

Tradition

Organizational philosophies and values

Quality of policy and procedures

Quality of personnel

Organization structure

Lack of a supportive climate

Lack of a reward system for participatory management

### ***Subordinate Barriers***

Lack of competence in participatory management

Lack of desire

Lack of content knowledge

Lack of awareness on participatory management

### ***Managerial Barriers***

Manager's habits

Not understanding participatory management

Theory X assumptions

Lack of security

### ***Situational Barriers***

Time constraints

Task constraints

Environmental influences

## **2.5 Advantages of Using Participatory Management**

According to Lawler (1990) the expected benefits list and summary of potential negative consequences of participatory management are as follows:

- Improved, more innovative and efficient work methods and procedures -less resistance to new methods may result, and the problem-solving process may produce innovations.

- Better communication between management and workers

- Attraction and retention of employees -improvement results from increased satisfaction and involvement.

- Reduced tardiness, turnover, and absenteeism

- Greater staffing flexibility -increased flexibility results from cross-training and teamwork.

- Increased service and product quality -higher motivation and better methods increase quality.

- Higher productivity and output -higher motivation and better methods increase the rate of output.

- Reduced staff support and supervision requirements -more “self-management” and broader skills reduce the need for staff support and supervision.

- More effective conflict resolution and reduced number of grievances -better communication and an improved union-management relationship reduce the number of grievances.

- Better decisions -better input and decision-making processes improve the quality of decisions.

- Expansion of staff skills -problem-solving as well as technical skills are developed.

- Improved morale and job satisfaction

And the potential negative consequences are identified as:

- Salary and training costs -developing new skills and responsibilities for lower-level participants results in increased salaries and additional training.

- Support personnel -if the new program creates a new structure that needs support and management, support personnel must increase.

- Expectations for organizational change and personal growth and development opportunities -any program that talks about participation increases expectations for organizational change and personal growth, which, if it is limited or fails, results in dissatisfaction and cynicism.

- Resistance by middle management and/or by staff support groups -if they are not positively affected by the program, they may resist it.

- Lost time -participation takes time and can slow decision making because a number of people have to understand and accept the decision (Lawler, 1990).

In addition to satisfying hierarchical needs of individuals, participatory management has other benefits to the individual as well as to the department. These advantages include:

- Increased productivity
- Better problem definition, greater range of alternatives, and better understanding of adverse consequences
- Greater commitment to the task, the team, and the organization
- Increased cooperation with members of management and staff
- Reduced turnover and absenteeism
- Individual growth opportunities increased from sharing of knowledge
- Higher trust level
- Reduced complaints and grievances
- Greater acceptance of changes
- Decreased organization politics (Flippo, 1970)

## **2.6 Characteristics of Participatory Management**

How can a person be identified as a participatory manager? A study conducted by Greiner in the early 1970s rated 39 leadership characteristics based on what 157 managers thought of participatory management. Managers chose ten characteristics they felt were representative of a participatory manager. Albanese (1975) ranked in order from the most to the least participative, the characteristics of PM

1. Gives subordinate a share in decision-making.
2. Keeps subordinates informed of the true situation, good or bad, under all circumstances.
3. Stays aware of the state of the organization's morale and does everything possible to make it high.
4. Is easily approachable
5. Counsels, trains, and develops subordinates.
6. Expresses appreciation when a subordinate does a good job
7. Shows thoughtfulness and consideration of others.
8. Is willing to make changes in ways of doing things
9. Is willing to support subordinates even when they make mistakes
10. Communicates effectively with subordinates (Albanese, 1975).

## **2.7 Historical Developments in Participatory Management**

Management is one of the oldest professions in the world. A quick reflection revealed that nothing can be accomplished without planning, coordination, and implementation, all of which are functions of management. Whether it is the management of a household or a corporation, the end result is to achieve some mode of effectiveness and efficiency. Even though management is one of the oldest professions

in the world, there is no single unified theory of management that can be successfully applied in all situations.

The pioneer in this area was Frederick Taylor (1856-1915), an engineer in the late 1800s. In fact, he became known as "The father of scientific management." Taylor maintained that through cooperative efforts of all concerned, the betterment of society would result (Wrege, 1978). Management's function has shifted more and more toward supporting rather than controlling workers (Belasco & Strayer, 1993; Drucker, 2002; Maccoby, 1989). Consequently, organizational hierarchies have flattened and decentralized (Galbraith, 1993). In educational settings, the role of the principal as leader under a scientific management approach was to define the goals of the school, and coordinate the labor of teachers to meet those goals. This requires the principal finding the best method of work, determining qualification standards necessary to complete the work, keeping teachers supplied with necessary materials to finish tasks, and providing the necessary incentives to stimulate desirable efforts. The first formal study of participatory management dates back to Mary Parker Follett's management ideas. Although she lived in the scientific management era, her views became the basis for participatory management. Follett as the original thinker in the area of participative management has been referred to as the "prophet of management". Participative management is a democratic approach to leadership whereby individuals take part in the decision-making process (Edwards, 2002).

Rensis Likert (1967) was the first to conduct systematic survey research on participatory management. Likert identified four types of management styles.

System 1 is the exploitive-authoritative system where decisions are top-down. Leaders are seen as having no confidence or trust in employees and seldom involve them in any aspect of the decision-making process. Decisions are made at the top and issued downward.



System 2 is the benevolent-authoritative system where decisions within a prescribed framework are made at lower levels. Leaders are seen as having condescending confidence and trust in employees. Employees are occasionally involved in some aspects of the decision-making process. Some decision-making processes take place in the lower levels, but control is at the top.

System 3 is the consultative system where broad policy and general decisions are made at the top and more specific decisions are made at lower levels. Leaders are seen as having substantial but not complete confidence and trust in employees. Employees are significantly involved in the decision-making process. More decisions are made at the lower levels and leaders consult with followers regarding decisions. Decision making is widely dispersed throughout the organization and is well integrated across levels.

System 4 is the participative system where decision making is done by well organized teamwork. Likert contends that system 4 is the ideal management system that has high productivity, low costs, favorable attitudes and excellent labor relations. Leaders are seen as having demonstrated confidence and trust in employees. Employees are involved in appropriate aspects of the decision-making process. Collaboration is employed throughout the organization. Employees are influenced through participation and involvement in developing economic rewards, setting goals, improving methods and appraising progress toward goals.

Ouchi (1981) studied anticipatory management from the viewpoint of trust and created the term "Theory Z." Theory Z organizations are those that have developed naturally in the United States but have many characteristics similar to firms in Japan. Ouchi argues that the existing western style of participative decision making achieves a prompt consensus, but takes a long time to implement.

Participation is generally viewed not as a right but as a strategy to be used, or as a managerial style. Participation can thus be reviewed on a continuum ranging from external management to self-leadership. Martell (1987, p. 117) lists seven degrees of participation:

1. Employees need to be informed about decisions made by management.
2. Employees are informed after decisions have been made.
3. Employees are given an opportunity to express views but management takes decisions in any event.
4. Employees are consulted informally before a decision is made.
5. Employees participate informally with management in decision-making; employees retain the right, through collective agreement, of veto over some issues.
6. Management and employees jointly make decisions.
7. Employees have the final say in all decision-making - self-management.

The major principle of a participative style of management is the involvement of a wide cross-section of employees in significant decision-making (Sheble & Hill, 1994, p. 520). More recently, Drucker (2002) expects that future managers will face increased needs for employee participation. Hence managers will have to be able to understand when to command and when to partner. This is mainly because of rapid change in work environments. Drucker points out that the importance of knowledge workers will grow and the only comparative advantage of a developed country will be knowledge workers.

## **2.8 Research on Participatory Management**

Participatory management is better suited for today as it empowers workers. In addition, workers today are more educated, motivated, responsible, and capable of doing their jobs without close supervision (Gono, 2001). Participative decision-making provides a key link in successful labor-management cooperation endeavors. This link

was identified nearly 40-years ago by Likert (1967) who noted that participative organizations tended to have much better labor relations than hierarchical companies. Clearly, Likert expressed his preference for the System 4 style, but acknowledged that all four systems were prevalent at the time of his writing (1967) and are still represented today. Driven by the pressures of the Quality and Knowledge Era, it is clear that many organizations have shifted toward the Human Resource Frame and Likert's System 4 (Likert, 1967). According to Likert, the collaborative system, which he termed System 4, generally produced better results in terms of productivity, job satisfaction, communication and overall organizational climate. Likert found the collaborative system to have better results in terms of productivity and turnover. Collaborative systems also produce better communications, higher group loyalty, confidence, trust, and favorable attitudes toward superiors (Baker & Manzo-Ramos, 1996). Likert found when managers shared their study findings with workers; improvements were more likely to be attempted than when managers kept the survey results to themselves (Smither et al., 1996).

Participatory approaches enhance the levels of trust within the school community, thus attaining educational benefits (Blase & Blase, 2001; Tschannen-Moran, 2001). Siegall and Worth (2001) report that greater trust in the administration yields more positive work outcomes among faculty members. In a participative management system, the degree to which a person is participating will have a positive effect on levels of individual performance and satisfaction. Kahnweiler et al. (2000) found that the makeup of the workforce is a critical factor in attitudes toward participatory management. In particular, they found that age and education was associated with employees' desired level of inclusion in organizational decisions. A higher level of education was generally associated with increased desire for and perception of involvement in decision-making. Research findings show that allowing

teachers and stakeholders to take part in decision-making yields salutary results. Employee satisfaction, motivation, morale and self-esteem are affected positively by involvement in decision-making and implementation (Chapman & Boyd, 1986; Gamage & Pang, 2003; Hargreaves & Hopkins, 1991; Hunton et al., 1998).

Research shows that participatory management is a way of promoting a positive work ethic amongst employees. However, creating participatory structures and empowering employees is not an easy task. Internal resistance to change even when there is strong commitment from the organization's leadership and its principal shareholders is the most significant impediment to systemic change (Shah, 2001). Wright and Kim (2004) suggest that participation has an important, albeit indirect, effect on employee job satisfaction through its influence on job characteristics. Construction of a structural model revealed that employee perceptions of participation in workplace decision making was an important variable in relation to job satisfaction (Spence-Laschinger & Finegan, 2004). The results lend further credence to the use and development of participatory management schemas within probation organizations (Slate, 2003).

Nurick (1982) and Cotton et al. (1988) found that representative participatory management schemes may be more meaningful for the representatives directly involved in the process than others. According to Karnes (2002), participation in an effective safety process provides opportunities to satisfy a basic human need, namely the need for competence. Participatory management has a positive impact on productivity, quality, and employee morale. It is also recommended that managers view participatory management style as a viable management approach (Gono, 2001). Participative management is a critical component of the new corporate strategy (Lawler 1993; Ledford 1993), participatory decision-making (Ouchi, 1981), building mutual trust (Brown, 2003), emphasizing employee needs and defining group activities for goal-

achieving (Brown, 2003). Rhoades and Eisenberger (2002), Lau and Lim (2002) and Van Yperen et al. (1999) have argued that participative management practices may influence perceived organizational support. Participation is often seen by employees as fair, procedurally just, and an expression of trust and is perceived by employees as an expression of organizational support. Van Yperen et al. (1999) further substantiated the intervening power of perceived organizational support to act as a mediator between participatory management and organizational citizenship behavior.

## **2.9 Research on Participatory Management in the Context of Iran**

Iranian researchers have emphasized on participatory management as good style in organization (Ahmadi, 1996; Akbari, 2004; Azemei Yazdi, 2002; Esmati, 2004; Tasdighi, 2004; Ramizani, 1996; Jafari, 2006; Estarvan, 1998; Behravan, 2004; Hosani, 2002). Researchers have found that Participative management may positively impact job satisfaction (Ghorbani, 2000; Behravan, 2004; Farrokhi, 1995; Bayat, 1997; Resalatpoor, 1994; Manzari, 1996; Moradi, 1995 ; Abdollahi, 1996 ; Ghancee, 1993; Vahidi ,1996), commitment (Bayat, 1997; Estarvan, 1988; Banihashemi, 1998; Moshabbaki, 1998; Saroghei, 1996; Gholamei Zohan, 2005; kardaneh yazd, 2004; Behravan, 2004; Zeyarati, 2006), efficiency (Banihashemi, 1998) , motivation (Hamzehkhanloo, 2003), morale (Afshareyan, 2001; Pooperali, 2003) , performance (Hamzehkhanloo, 2003; Hashemi Fakhr, 2001; Davari, 2005), effectiveness (Delavar, 2003; Delavar, 2003; Hosani, 2002), efficiency (Kamyab, 2003; Vejdananajad, 2004; Najafzadeh, 2004; Hossni Rokh, 2001), psychology health (Shahnazari, 2004; Kamyab, 2003), collaboration (Abolfazliyan, 2004; Najafzadeh, 2004), productivity (Esmati, 2004; Jafari, 2006), organizational behavior (Safarpour, 2004), trust (Behravan, 2004).

There was no relationship between participatory management and gender (Forginajad, 2000; Akbari, 2004; Adebzadeh, 2004; Keshvary, 2003) this results

disagree with the findings of Zeyarati, (2006) where she reports female apply participatory management more than male in educational organization. Additionally there was no relationship between participatory management and educational level (Akbari, 2004; Adebzadeh, 2004; Keshvary, 2003). Furthermore, there was no relationship between participatory management and being in job (Adebzadeh, 2004; Keshvary, 2003). According to Motamed Shariati (2005) and Zeyarati, (2006) persons who hold on to a job for more than 10 and 16 years respectively implement participatory management more than other categories.

## **2.10 Research on Participatory Management in the Context of Malaysia**

Malaysians are collectivist in their orientation and they prefer to be involved in the decision-making process (Asma Abdullah, 1996) using the participating and delegating styles (Zainun et al., 2002; Huat, 2004) contributed to the full cooperation to achieve objectives of the school (Mukherjee, 1970). In Malaysia concrete more opportunities for the teachers to be involve in the decision making process at all levels (Kaliannan, 1998; Fung, 2006). The principal gives freedom to teachers in running their daily work and finds time to listen to teacher problems finally the principal is willing to accept idea (Usha Alp, 2000) principal clarify responsibilities of teachers, establish open and accurate communication (Rahimah Ahmad, 1999; Huat, 2004) The principals displayed the democratic leadership styles in order to made decision on a collective basis (Thandi, 1977) and increase satisfaction (Harchand, 1972) because they believe it is an important responsibility to The importance responsibility develop and maintain staff morale and motivation (Mukherjee, 1970). The communication which is smooth between the teachers and the management would produce a good performance out of the teachers. Additionally manager leads the teachers by solving their problems and coaching the teachers whenever necessary. The teachers also included in the decision

making process by asking their opinion and ideas (Kalaichelvi, 2005). Teachers were depended to principal in decision making and teachers referred to the principal before making a final decision (Muksan, 1989). Therefore the level of participation in decision making has not reached its desirable level therefore top administrators must be willing to empower and subordinates must be ready to accept the empowering process (Ting, 1999). The lack of opportunities to participate in decision making processes (Razail, 1998) as one of the major factors contributing to their job stress (Razail and Nungsari, 1989). In effective schools managers emphasized both task and staff orientation (Salamn, 1986; Khathiravelu, 1980; Suaidah, 1984). Additionally, the female non management professional staff demonstrated lower participation level compared to their male counterparts (Razali, 1998). Women principals is composed of both task and employee orientation with the mean score for task orientation slightly higher than for the employee orientation (Rahimah Ahmad, 1981). This could be because manager gives importance to the needs of the school rather than the needs of the teachers (Shanmugam, 1998).

## Summary

Likert identifies four types of management styles. System 4 is the participative management system which is believed to yield high productivity, collaboration and communication. Drucker believes that future managers will face increased needs for employee participation in decision making. Moreover researchers have found that PM may positively impact on job satisfaction ,support to realize the goals, better decisions and greater efficiency, organizational citizenship behavior, job performance, attraction and retention of employees, employee satisfaction and self-esteem, open communication, positive work outcomes, productivity, flexibility and change, solving problems and supportive of the leader. Participatory management is a process in which

subordinates share a significant degree of decision making power with their immediate superiors (Gono, 2001). Participation can also take the form of management by objectives, the process whereby both the higher and lower echelons of an organization identify common objectives, define areas of responsibility and use those yardsticks as guidelines for making the various services work (Odiorne, 1972). Additionally, Follett as prophet of management, believes that participatory management is a democratic approach that individuals take part in the decision-making process.

## **2.11 Concept of Organizational Commitment**

Commitment has been a difficult concept to define (Meyer & Allen, 1991, 1997; Meyer & Herscovitch, 2001; Meyer et al., 1993; Mottaz, 1988). Organizational commitment invariably refers to the psychological state characterizing the relationship between an employee and an employing organization (Meyer & Allen, 1997). The most relevant definition suggests that commitment is an obligation that restricts freedom of action (Chena, 2006). Organizational commitment focuses on a bond linking individuals to the organization (Mathieu & Zajac, 1990; Meyer & Allen, 1991, 1997). It is a psychological stabilizing or obliging force that binds an individual to courses of action relevant to the target of that force the organization (Bentein et al., 2005; Meyer & Herscovitch, 2001).

Rousseau (1998) and Blau (2000) suggest that because careers are increasingly characterized by change rather than stability, employees are unlikely to have strong commitment to their employers. Organizational commitment generally is recognized as an individual's identification with a particular organization, the internalization of the values and goals of that organization, and a willingness to exert considerable effort on behalf of the organization (Angle & Perry, 1981; Bateman & Strasser, 1984; Mowday et al., 1979; Porter et al., 1974 ).



Organizational commitment is the strength of identification and involvement with the organization (Steers, 1977). It can be characterized by a belief in and acceptance of the organization's goals and values, a willingness to exert substantial effort on behalf of the organization, and a desire to maintain membership in the organization (Porter et al., 1974). Organizational commitment can mean something pledged by an organization as opposed to its members. Commitment helps workers to identify with the organization's rules, rewards and values (Katz & Kahn, 1978). Commitment not only is essential for the organization, but also is important for individuals (Balliet, 1989; Mowday et al., 1982). Organizational commitment is loyalty to the organization and mobilization of all employees in the development of its goals, purposes, and infrastructure (Lee et al., 1999). Mathieu and Zajac (1990) define organizational commitment as an attachment to or identification with the organization. Such an attachment may be considered an emotional response, particularly when the individual believes strongly in the organization's goals and values and/or demonstrates a strong desire to maintain membership in the organization.

The most commonly cited definition of organizational commitment is that of Mowday et al., 1982). They define it as the relative strength of an individual's identification with and involvement in a particular organization. Conceptually, it can be characterized by at least three factors: a) a strong belief in and acceptance of the organization's goals and values; b) a willingness to exert considerable effort on behalf of the organization; and c) a strong desire to maintain membership in the organization. This definition implies that commitment is an attitude of attachment to the organization.

Organizational commitment can be conceived of as a pattern of behaviors, a set of behavioral intentions, a motivating force, or an attitude. The attitudinal approach, which is the most widely used, views commitment as an attitude regarding the relationship between an employee and his/her workplace. "Commitment to an

organization represents, loyalty to the organization, identification with an organization (pride in an organization and internalization of the goals of the organization) and a desire for involvement in an organization (i.e., the willingness to make a personal effort for the sake of an organization” (Lambert, 2004, p. 211). Organizational commitment represents the employee’s attitude toward the organization, whereas work effort reveals an individual’s attitude toward tasks. Organizational commitment has been regarded as a major variable stably influencing employee behavior at the workplace (Morrow, 1993; Porter et al., 1974).

The term “commitment” can be referred to as the willingness of social actors to give their energy and loyalty to a social system or an effective attachment to an organization apart from the purely instrumental worth of the relationship (Buchanan, 1974). It is also believed that commitment was developed through the process of identification in which a person experiences something of some ideas as an extension of the self (Iverson, 1996).

Meyer and Allen (1991) put forth a commitment construct representing three distinct components: affective, normative, and continuance commitment to the organization. Affective commitment stems from an emotional attachment to the organization and is especially sensitive to work experiences such as organizational support (Powell & Meyer, 2004). Normative commitment refers to an employee's belief that he or she ought to stay with the organization and “develops as a result of socialization experiences that emphasize the appropriateness of remaining loyal to one’s employer” (Meyer et al., 1993, p. 539). Finally, continuance commitment appears to incorporate Becker’s (1960) perspective, wherein the employee perceives the costs of leaving the organization as prohibitively high, and thus remains committed to the organization. Meyer et al. (1993) state that organizational commitment is a psychological state that a) characterizes the employee’s relationships with the

organization, and b) has implications for the decision to continue membership in the organization. Other researchers use similar definitions that refer to an employee's attachment, goal congruency, identification, loyalty and allegiance to their organization. In the organizational literature the term organizational commitment invariably refers to the psychological state characterizing the relationship between an employee and an employing organization (Meyer & Allen, 1997). The bulk of the vast commitment research focuses on this relationship, what might just as well be referred to as an employee's loyalty, allegiance or attachment to the organization? This research attempts to define organizational commitment based on the nine components according to the following specifications.

1. Willing to exert effort
2. Stabilizing
3. Loyalty and allegiance
4. Maintaining membership
5. Attachment
6. Feeling of obligation to the organization
7. Identification and internalization value
8. Identification and acceptance goal
9. Involvement

#### **2.11.1 Willing to Exert Effort**

Organizational commitment generally is recognized as an individual's identification with a particular organization, the internalization of the values and goals of that organization and a willingness to exert considerable effort on behalf of the organization (Angle & Perry, 1981; Bateman & Strasser, 1984; Lambert, 2004; Mowday et al., 1979,1982; Porter et al., 1974; Price, 1997). Organizational commitment

represents the employee's attitude toward the organization, whereas work effort reveals an individual's attitude toward tasks (Morrow, 1993).

### **2.11.2 Stabilizing**

Organizational commitment is a psychological stabilizing or obliging force that binds an individual to courses of action relevant to the target of that force the organization (Bentein et al., 2005; Meyer & Herscovitch, 2001).

### **2.11.3 Loyalty and Allegiance**

Organizational commitment is loyalty to the organization and mobilization of all employees in the development of its goals, purposes and infrastructure (Lambert, 2004; Lee et al., 1999). Commitment is a willingness and loyalty to a social system or an effective attachment to an organization (Buchanan, 1974). Organizational commitment in education may be manifested in a positive orientation toward, identification with, involvement in and sense of loyalty to the school (Glickman, 1993; Porter et al., 1974). Commitment has been examined under many names over the year's; terms used are teamwork, loyalty, spirit de corps (Fayol, 1949).

Commitment is viewed as a combination of psychological linkages to the organization, reflecting attitudes of loyalty. Normative commitment refers to an employee's belief that he or she ought to stay with the organization and develops as a result of socialization experiences that emphasize the appropriateness of remaining loyal to one's employer (Finegan, 2000; Meyer et al., 1993).

#### **2.11.4 Maintaining Membership**

Organizational commitment can be characterized by a belief in and acceptance of the organization's goals and values, a willingness to exert substantial effort on behalf of the organization and a desire to maintain membership in the organization (Porter et al., 1974). Organizational commitment is a strong desire to maintain membership in the organization (Hackett & Lapierre, 2001; Mowday et al., 1982). Commitment is willingness and loyalty to a social system or an effective attachment to an organization (Buchanan, 1974). Continuance commitment refers to employees' assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they need to (Meyer & Allen, 1997). Normative commitment refers to an employee's belief that he or she ought to stay with the organization and develops as a result of socialization experiences that emphasize the appropriateness of remaining loyal to one's employer (Meyer et al., 1993) and it is a psychological state that has implications for the decision to continue membership in the organization. Commitment is also defined as a function of the rewards and costs associated with organizational membership (Alutto et al., 1973; Becker, 1960; Farrell & Rusbult, 1981).

#### **2.11.5 Attachment**

Mathieu and Zajac (1990) define organizational commitment as an attachment to or identification with the organization. Such an attachment may be considered an emotional response, particularly when the individual believes strongly in the organization's goals and values and/or demonstrates a strong desire to maintain membership in the organization. Affective commitment refers to employees' emotional

attachment, identification with and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to (Meyer & Allen, 1997).

Attitudinal commitment involves one's psychological attachment or bond to the organization (Buchanan, 1974; O'Reilly & Chatman, 1986; Porter et al., 1974). Organizational commitment is an attitude of attachment to the organization (Mowday et al., 1982) and the employee's emotional attachment to organization may engender stronger personal commitment and enable the employee to experience a sense of belonging (Allen & Meyer, 1990; Meyer & Herscovitch, 2001). Organizational commitment can be referred to as the willingness of social actors to give their energy and loyalty to a social system or an effective attachment to an organization apart from the purely instrumental worth of the relationship (Buchanan, 1974). Organizational commitment is an important type of attitude to foster among employees to attach to organization (Hackett & Lapierre, 2001).

#### **2.11.6 Feeling of Obligation to the Organization**

Commitment is an obligation that restricts freedom of action (Chen, 2006). Normative commitment refers to employees' feelings of obligation to the organization. Employees with high levels of normative commitment stay with the organization because they feel they ought to (Meyer & Allen, 1997).

#### **2.11.7 Identification and Internalization Value**

Organizational commitment generally is recognized as an individual's identification with a particular organization, the internalization of the values and goals of that organization and a willingness to exert considerable effort on behalf of the

organization (Angle & Perry, 1981; Bateman & Strasser, 1984; Mowday et al., 1979 ; Porter et al., 1974). It can be characterized by a belief in and acceptance of the organization's goals and values (Porter et al., 1974). Commitment helps workers to identify with the organization's rules, rewards and values (Katz & Kahn, 1978). Organizational commitment is a strong belief in and acceptance of the organization's goals and values (Mowday et al., 1982). Commitment may be reflected in affective reactions to the characteristics of the organization, in feelings of attachment to institutional goals and values and in teacher-administrator relationships that extend beyond prescribed employee-employer transactions (Cook & Wall, 1980; Glickman, 1993; Goldring & Rallis, 1993).

Organizational commitment represents identification and internalization of the goals of the organization (Lambert, 2004). Organizational commitment is identifying with the organization's objectives and values by feeling eagerness to stay in the organization. It can be defined as the worker's desires to stay in the organization and to work together to adopt the objectives and values of the organization (Morrow, 1983). According to Tanner (2007) improving the level of organizational commitment is done by increasing the employees' feelings of value and belonging.

#### **2.11.8 Identification and Acceptance Goal**

Organizational commitment is a strong belief in and acceptance of the organization's goals and values (Mowday et al., 1982). It generally is recognized as an individual's identification with a particular organization, the internalization of the values and goals of that organization and a willingness to exert considerable effort on behalf of the organization (Angle & Perry, 1981; Bateman & Strasser, 1984; Mowday et al., 1979). Organizational commitment can be characterized by a belief in and acceptance of the organization's goals and values (Porter et al., 1974). Commitment

helps workers to identify with the organization's rules, rewards and values (Katz & Kahn, 1978). Organizational commitment is a strong belief in and acceptance of the organization's goals and values (Mowday et al, 1982; Price, 1997). Commitment may be reflected in affective reactions to the characteristics of the organization, in feelings of attachment to institutional goals and values and in teacher-administrator relationships that extend beyond prescribed employee-employer transactions (Cook & Wall, 1980; Glickman, 1993; Goldring & Rallis, 1993).

#### **2.11.9 Involvement**

Organizational commitment is the strength of identification and involvement with the organization (Steers, 1977). Affective commitment refers to employees' emotional attachment, identification with and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to (Meyer & Allen, 1997). Organizational commitment in education may be manifested in a positive orientation toward, identification with, involvement in and sense of loyalty to the school (Glickman, 1993; Porter et al., 1974). Organizational commitment is defined as the relative strength of an individual's identification with and involvement in a particular organization (Mowday et al., 1982). Bacon and Blyton (2001) report on efforts to increase organizational commitment through implementing involvement. Commitment is viewed as a combination of psychological linkages to the organization and involvement (Buchanan, 1974). Organizational forms of commitment in education may be manifested in a positive orientation toward, identification with, involvement in and sense of loyalty to the school (Glickman, 1993; Porter et al., 1974). Organizational commitment is a desire for involvement in an organization (Lambert, 2004).



## 2.12 Historical Developments in Organizational Commitment

Commitment has been examined under many names over the years: teamwork, loyalty, spirit de corps (Fayol, 1949), cohesion (Fayol, 1949; Festinger, 1950), equilibrium (Barnard, 1938; Roethlisberger & Dickson, 1943), willingness, cooperation and others. Reviewing the literature on organizational commitment (Buchanan, 1974; Mowday et al., 1982; Reichers, 1985) reveals that there are at least three different approaches to conceptualizing organizational commitment.

First, the side-bets (exchange) perspective sees commitment as an outcome of inducement/contribution transactions between the organization and member. In this conceptualization, the individual perceives associated benefits such as pension plans as positive elements in an exchange that produces willingness to remain attached to the organization. Thus, commitment is defined as a function of the rewards and costs associated with organizational membership (Alutto et al., 1973; Farrell & Rusbult, 1981). Becker's (1960) Side-Bet Theory was used extensively in research studies on organizational commitment during the 1970s and 1980s. It was believed that commitments come into being when a person, by making a side-bet, links extraneous interests with a consistent line of activity. Side-bets are often a consequence of the person's participation in social organizations. Side-bets also refer to "anything of importance that an employee has invested, such as time, effort or money that would be lost or devalued at some cost to the employee, if he or she left the organization" (Wallace, 1997, p. 728). Examples of side-bets include contributions to pension plans, development of organizational specific skills or status, or use of organizational benefits such as reduced mortgage rates (Meyer & Allen, 1984). It is assumed that commitment increases as more side-bets are accumulated and if they are contingent upon continued employment (Wallace, 1997).

Second is the psychological perspective which views organizational commitment as a three-component orientation. These components are: (a) an identification with the goals and values of the organization, (b) a willingness to focus strong effort toward helping the organization achieve its goals and (c) a strong desire to maintain membership in the organization (Buchanan, 1974; Porter et al., 1974). Under this perspective commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organization" (Steers, 1977, p. 46).

Behavioral commitment refers to the process by which "individuals become locked into a certain organization" (Mowday et al., 1982, p. 26). The behavioral approach takes the view that employees become committed to a particular course of action and that attitudes that develop and are measured are a consequence of this commitment.

Third is the attributions perspective which defines commitment as a binding of individuals to behavioral acts that results when individuals attribute an attitude of commitment to themselves after engaging in behaviors that are volitional, explicit, and irrevocable (Reichers, 1985). Most recently Meyer and Allen (1991, 1997) proposed a three-component model of organizational commitment that includes aspects of these three approaches.

Katz (1964) suggested that organizations were concerned with three levels of motivation and types of motivational behavior. First, they have to motivate employees to join and stay. Second, they need to motivate employees to perform their prescribed job in a reliable manner. Third, they need to motivate employees to go beyond the prescribed job to perform the spontaneous change behaviors that are necessary to filling the gap between what the organization can and cannot anticipate. The first type of behavior, about employees joining and staying, is the focus of traditional organizational commitment research, but the research also informs on the other two types of behavior.

The multiple commitment frameworks provide a more complex view for understanding organizational commitment (Becker & Billings, 1993; Cohen, 1993; Gordon & Ladd, 1990; Lawler, 1992; Meyer & Allen, 1997; Reichers, 1985). They suggest that organizational commitment can be understood as a part of a collection of multiple commitments to the various groups that comprise an organization. From this perspective, organizations are viewed as coalitional entities, as reference groups and as role settings. These coalitional entities and their constituencies espouse unique sets of goals and values that may be in conflict with the goals and values of other organizational groups. One of the major models of organizational commitment is that developed by Meyer and Allen (1991), which conceptualizes organizational commitment in terms of three distinct dimensions: affective, continuance and normative (Allen & Meyer, 1990; Meyer & Allen, 1991, 1997; Meyer et al., 1993).

Affective Commitment is defined as the employee's emotional attachment to the organization. As a result, he or she strongly identifies with the goals of the organization and desires to remain a part of the organization. Employees commit to the organization because they "want to". In developing this concept, Meyer and Allen drew largely on the Mowday et al. (1982) concept of commitment. Kanter (1968) for example, defined what she called "cohesion commitment" as the attachment of an individual's fund of affectivity and emotion to the group. Buchanan (1974) described commitment as a partisan, affective attachment to the goals and values and to the organization for its own sake, apart from its purely instrumental worth. Researchers described commitment as the relative strength of an individual's identification with and involvement in a particular organization (Mowday et al., 1979; Porter et al., 1974, 1976). It is a partisan affective attachment to the goals and values of an organization apart from its instrumental worth (Popper & Lipshitz, 1992).

Continuance Commitment can be described as the individual commitment to the organization when he/she perceives high costs of losing organizational membership. Becker's 1960 "side bet theory", including economic losses (such as pension accruals) and social costs (friendship ties with co-workers) that would have to be given up. The employee remains a member of the organization because he/she "has to". Other authors view commitment as the continuation of an action (remaining with an organization) resulting from recognition of the costs associated with its termination. Becker (1960), for example, described commitment as a disposition to engage in "consistent lines of activity" resulting from accumulation of "side bets" which would be lost if the activity were discontinued. In the case of commitment to an organization, a side bet is made when something of importance to an individual (pension, seniority) becomes contingent upon continued employment in that organization. Similarly, Kanter (1968) defined "cognitive-continuance commitment" as that which occurs when there is a profit associated with continued participation and a "cost" associated with leaving. Continuance commitment is the awareness of the dilemma of choosing a different social identity because of the immense penalties involved in making the switch. Still others have used the term "calculative" to describe commitment based on a consideration of the costs and benefits associated with organizational membership that is unrelated to affect (Etzioni, 1975; Hrebiniak & Alutto, 1972).

Normative Commitment refers to an individual who commits to and remains with an organization because of feelings of obligation. For instance, the organization may have invested resources in training an employee who then feels an obligation to put forth effort on the job and stay with the organization to 'repay the debt.' It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization. The employee stays with the organization because he/she "ought to". A less common,

but equally viable, approach has been to view commitment as an obligation to remain with the organization, Marsh and Mannari (1977) for example, described the employee with "lifetime commitment" as one who considers it morally right to stay in the company, regardless of how much status enhancement or satisfaction the firm gives over the years. In a similar vein, Wiener (1982) defined commitment as the totality of internalized normative pressures to act in a way which meets organizational goals and interests and suggested that individuals exhibit this behavior solely because they believe it is the right and moral thing to do. Normative commitment is characterized by feelings of loyalty to a particular organization resulting from the internalization of normative pressures on the individual (Popper & Lipshitz, 1992). Employees with a high level of normative commitment feel they ought to remain with the organization (Meyer & Allen, 1991). However, "the most desired situation is the workers' having first, high affective commitment, then normative commitment and finally continuance commitment" (Brown, 2003:41).

## **2.13 Research on Organizational Commitment**

Organizational commitment has for many years been identified as a central construct in understanding the relationship between the employee and the employer (Allen & Meyer, 1996; Mathieu & Zajac, 1990; Meye et al., 2002; Mowday et al., 1979). Additionally Research on teacher commitment has been described as "immature" when compared with related research focusing on commitment in other occupations (Allen & Meyer, 1993; Bishop & Scott, 2000; Buchanan, 1974; Mathieu & Zajac, 1990; Morrow, 1993; Mowday et al., 1982; Reyes, 1990). Studies of teacher commitment have seldom devoted significant attention to multidimensional perspectives on commitment. One explanation suggests that the properties of commitment are too complex (Louis, 1991). In successful schools, teachers are committed to both their

profession and the organization. Teachers' teams with higher levels of commitment may be expected to believe strongly in the goals associated with teaching as an object, be willing to exert considerable effort in the pursuit, and possess a desire to remain affiliated with it (Firestone, 1990). Many studies use different facets of satisfaction to predict employee attributes such as performance, organizational commitment, and service quality (Dienhart & Gregoire, 1993; Oshagbemi, 2000a, 2000b; Yousef, 1998). Empirical evidence suggests that job satisfaction is an antecedent to organizational commitment (Brown & Peterson, 1994; Kim & Lee, 2005; Reichers, 1985).

Darwish (2002) found that job satisfaction directly and positively influenced affective and normative commitment and negatively influences continuance commitment. Also, job satisfaction mediates the influences of role conflict and role ambiguity on various facets of organizational commitment, except continuance commitment. Research on organizational commitment has been examined primarily in relation to turnover. Organizational commitment and job satisfaction have received significant attention in studies of the work place. This is due to the general recognition that these variables can be the major determinants of organizational performance (Angle & Perry, 1981; Riketta, 2002) and effectiveness (Laschinger, 2001; Miller, 1999, as cited in Lok & Crawford, 2004).

Other studies established that there is a relationship between organizational commitment and job performance (Makanjee, 2006). In summary, employees who are committed to the organization are less likely to leave, tend to perform at a higher level and also tend to stay with the organization, thus decreasing turnover intent and increasing organizational effectiveness. Job satisfaction and organizational commitment were also confirmed to have negative impacts on turnover intentions. The consequences of organizational commitment include retention, attendance and job productivity. If employees are morally committed to an organization, the following can be expected:

increased likelihood of retention, consistent attendance and increased productivity (Kim & Lee, 2005; Reilly & Orsak, 1991). The notion of the employees' positive commitment to the organization may result in a lower probability of leaving the firm. Job satisfaction has positive association with organizational commitment (Tuzun, 2009; Hawkins, 1998; Yavas & Bodur, 1999; Steers, 1977; Bateman & Strasser, 1984; Kim & Lee, 2005; Meyer et al., 2002 ; Chen & Francesco, 2000; Mathieu & Zajac, 1990; Williams & Hazer (1986) as cited in Hawkins (1998) and job performance (Babin & Boles, 1996; Birnbaum & Somers, 1993). Employees who are satisfied with their jobs have greater organizational commitment than do dissatisfied employees. Shaw (1999) argued that there is a strong negative relationship between job satisfaction and the level of employee turnover, if an individual's personal disposition (positive affect) is taken into consideration. Moreover if the employees are dissatisfied with their respective jobs, they are more likely to leave the organization for another position (Kim & Lee, 2005). Perceive organizational support can be viewed as a measure of an organization's commitment to its employees. In other words, an employee's perception of organizational commitment to him or her contributes to the level of commitment by him or her to the organization affective, continuance and normative These 'facets' of commitment have a potential to influence the well-being of the employees and on the effectiveness of an organization in rendering quality service (Makanjee, 2006), the finding of Eisenberger et al. (1986) that perceptions of organizational support influence organizational commitment. Perceive organizational support has been found to be related to, yet distinct from affective commitment, effort-reward expectancies, continuance commitment, leader-member exchange, supervisor support, perceived organizational politics, procedural justice and job satisfaction. To date, surprisingly little research has investigated the implications of interactions involving two or more forms of organizational commitment (Herscovitch & Meyer, 2002 ; Jaros, 1997; Meyer

et al., 1989 ; Randall et al., 1990). More recently, research suggests that continuance commitment might consist of two sub-constructs one based on the degree of personal sacrifice associated with leaving the organization and the other based on a lack of other alternatives (Wasti, 2005). Several studies have found empirical support for the existence of these two sub-constructs (Dunham et al., 1994; Iverson & Buttigieg, 1999, Meyer et al., 2002; Powell & Meyer, 2004).

The literature suggests that pay, promotion and career development is of importance as it enhances employees' affective commitment that produces a strong sense of belonging to the organization, including the employees' membership and role status in their social identity. In the studies by Herscovitch and Meyer (2002) the high affective, high normative and low continuance commitment profile appears to show better outcomes than the pure affective commitment profile, but the differences are minimal affective commitment is also the most practically relevant, with established links to job performance, turnover, absenteeism and organizational citizenship behaviors (Meyer et al., 2002). Perceived organizational support should strengthen the employees' beliefs that the organization recognizes and rewards their performance. These should have favorable outcomes both for the employees (increased job satisfaction) and for the organization (increased affective commitment and performance, reduced turnover). In their meta-analysis, Meyer et al. (2002) found that perceived organizational support had the strongest correlation with affective commitment. More importantly, a recent study provided strong support for the role of reciprocity in the relationship between organizational support and affective commitment (Eisenberger et al., 2001; Rhoades & Eisenberger, 2002). Based on previous empirical findings, which show that affective commitment has the strongest relations to outcomes of interest (Meyer & Herscovitch, 2001). In particular, patterns of two-by-two interactions suggest that the likelihood of desirable job outcomes is greater when affective or normative



commitment is high but continuance commitment is low. In other words, continuance commitment seems to attenuate the impact of affective or normative commitment; it has a positive relationship to employees' affective commitment to the organization (Shore & Wayne, 1993). Because perceptions of organizational support increase affective attachment to an organization and strengthen expectations that greater effort will be rewarded, employees who think that their organizations support them should exert more effort and thus will perform better than employees who do not think that their organizations support them (Orpen, 1994).

Meyer and Herscovitch (2001) argued that high levels of continuance commitment lower the positive impact of both normative and affective commitment. Indeed, previous empirical evidence provides some support this proposition (Herscovitch & Meyer, 2002; Meyer et al., 1989; Randall et al., 1990). Allen and Rush (1998) investigated commitment's role in mediating the relationship between organizational citizenship behavior and performance judgments. They found that "... perceived affective commitment mediated the relationship between organizational citizenship behavior and overall evaluation" (Allen & Rush, 1998, p. 247). Employees who exhibited high levels of affective commitment were more likely to engage in positive citizenship behaviors (Meyer et al., 1993; Shore & Wayne, 1993; Suliman, 2002). Researchers had examined the relationship between commitment to the organization and other workplace behaviors. Wahn (1993) found continuance commitment correlated with an overall measure of unethical behavior. The relationship between affective organizational commitment and positive work outcomes has been well established in a number of industries (Vandenberghe et al., 2004; Meyer & Allen, 1990). Affective organizational commitment consistently has been linked to positive employee behaviors such as organizational citizenship behavior and helping behaviors (Meyer & Allen, 1991; Meyer et al., 1989; Meyer et al., 2002).

Organizational commitment was strongly related to other beneficial outcomes such as client satisfaction. Supervisor support, have held consistently strong relationships with affective commitment in full-time employees (Iverson & Buttigieg, 1999; Mathieu & Zajac, 1990; Meyer & Allen, 1988; Meyer et al., 2002). Chen and Francesco (2000) found positively correlated between age and educational level with employee commitment. In addition Steers (1977), Meyer and Allen (1984), and Yoshimura (2003) also found a positive relationship between age and organizational commitment. Another study also found that age, education, gender, race, position, and tenure failed to have any effect on levels of affective commitment (Lambert, 2004; Lambert et al., 2002). Organizational commitment is affected by many other factors that may be individual or organizational. The survey revealed that employees' positive perceptions of organizational downsizing increased organizational commitment (Akdogan & Cingoz, 2008). The results also show that perceptions of work redesign by employees who have an external locus of control had a more significant positive impact on their organizational commitment (Chen & Chen, 2008). The findings show that organizational commitment and personal characteristics have a significant influence on organizational outcomes. Higher organizational commitment leads to higher loyalty, reduced work stress and a lower intention to leave, but has little influence on self-performance. Continuance commitment and normative commitment, as elements of organizational commitment, have a significant influence on organizational outcomes [loyalty, intention to leave and work stress]. Other studies showed job stress to be negatively correlated with organizational commitment (Lambert, 2004). Additionally, organizational commitment among correctional staff was linked with such negative organizational behaviors as absenteeism and turnover (Camp, 1994; Lambert, 1999; Stohr et al., 1992). The observation that resource availability tempered the inverse relationship between openness to experience and normative commitment broadly aligns

with the interactive model that was propounded by Tett and Burnett (2003). Openness becomes increasingly likely to promote both affective and normative commitment in employees when their managers demonstrated transformational leadership.

As noted previously, the importance of organizational commitment among employees is its influence on a variety of organizational variables. For example, in their meta-analysis, Mathieu and Zajac (1990) found commitment (primarily affective commitment) positively related to attendance. Meyer et al. (1993) found affective commitment positively related to voluntary absence. Somers (1995) found affective commitment associated with extended weekend or holiday absences. There is a relationship between affective organizational commitment and attendance (Mathieu & Zajac, 1990; Randall, 1990; Steers, 1977), Affective commitment and performance (Hawkins, 1998; Steers, 1977), organizational commitment and employee turnover (Hawkins, 1998; Mathieu & Zajac, 1990).

Organizational commitment has been identified as a precedent to the constructs of job satisfaction (Randall et al., 1990; Yoshimura, 2003 ; Mowday et al., 1982; Steers, 1977; Rhoades & Eisenberger, 2002; Tepper et al., 2004; Spence-Laschinger & Finegan , 2004), organizational citizenship behavior (Mowday et al., 1982; Mowday, 1999; LaMastro, 2000), absenteeism and turnover (Angle & Perry, 1981; Buchanan, 1974; Cook & Wall, 1980; Randall et al., 1990; Lee et al., 2000; Clugston, 2000; Mowday et al., 1982; Meyer & Allen, 1997; Jaros et al., 1993; Mathieu & Zajac ,1990 ; Ackoff, 1999), organizational performance (Mathieu & Zajac , 1990; Mowday et al., 1982; Mowday, 1999; Eisenberger et al., 1990), perceived organizational support (Eisenberger et al., 1990; LaMastro, 2000; Mowday et al., 1982; Mowday, 1999; Meyer & Allen, 1997; Rhoades & Eisenberger, 2002; Beck, 1999; Settoon et al., 1996; Fuller & Barnett, 2003; Eisenberger et al., 1990; Randall et al., 1990; Whitener, 2001),

organizational justice (Spence-Laschinger & Finegan, 2004 ), productivity (Mathieu & Zajac, 1990), service quality (Dienhart & Gregoire, 1993; Oshagbemi, 2000; Yousef, 1998) attribution (Morrison & Robinson, 1997), retrospective rationalization (Meyer & Allen, 1991; O'Reilly & Caldwell, 1981), person-job fit (Meyer & Allen, 1997), job alternatives (Meyer et al., 1990 ), investments (Becker, 1960; Meyer & Allen, 1997 ), obligations (Meyer & Allen, 1997 ) and expectations (Dunham et al., 1994; Wiener, 1982).

## **2.14 Research on Organizational Commitment in the Context of Iran**

Iranian researchers have found that organizational commitment positively impact job satisfaction (Salehpour, 2003; Ashrafi, 1995; Tadriss Hasani, 1994; Moradi, 1995; Rezazadeh, 2002; Shojaeefar, 2001; Zariaei, 2002), job performance (Moradi, 1995 ), turnover (Saroghei, 1996), organizational climate (Noroozi, 2002; Pishva, 1999; Sadegheyan, 2004), freedom (Gaminian, 2002), communication skills (Mehraban, 2001; Shariatzadeh, 2005), organizational behavior (Safarpour, 2004). According to Rezazadeh (2002) there is a significance relationship between organizational commitment and satisfy from colleague and manager. Additionally there was relationship between organizational commitment and gender (Hafezy, 1998; Parniyan, 2000). According to Adin (2001) females have commitment more than males. Furthermore there was relationship between organizational commitment and being in job (Adin, 2001; Hafezy, 1998; Khosravi, 2005; Parniyan, 2000). According to Parniyan (2000) there was relationship between organizational commitment and Educational level.

## 2.15 Research on Organizational Commitment in Context of Malaysia

Under new wave of changes, public organizations in Malaysia have to accept the premise that workforce commitment is a vital ingredient for productivity and participative management (Razail, 1998). Malaysian managers have considerably stronger affective and normative commitment but weaker continuance commitment. (Keong & Sheehan, 2004). Malaysian organizations have high commitment human resource policies and practices in place to increase their managers' feelings of emotional attachment. (Asma Abdullah, 1996) that makes Malaysian managers morally obligated to continue staying with their organizations.

There is a significant relationship between organizational commitment and Islamic work ethics (Nik Mu'tasim et al., 2006), participatory decision making (Razali, 1998), Job satisfaction (Yusof & Noor Asyikin, 2006), achieving the objectives (Yusuf, 1981), desire to invest in professional training (Hanifah, 1981), organizational level (Keong & Sheehan, 2004), job involvement and perceived organizational support (Fung, 2006). Teachers showed a high level of job satisfaction and organizational commitment which had managers with high score in system and personal orientation (Shanmugam, 1998). Job satisfaction explains what makes people want to come to work and what makes them happy about the job or makes them decide to quit. Job satisfaction does not necessarily mean job productivity, although it affects the latter (Nor Azizah, 1988). According to Kamarul Ahmad and Raida Bakar (2003) Malaysian employees aged 40-49 have significantly higher affective commitment scores than those below 30 contradicts the findings of Keong and Sheehan(2004) that the demographic variables of age and gender have no influence on the OC of Malaysian managers. These results disagree with the findings of Fung (2006) where they report, that there is no significant difference between organizational commitment and employment age. In addition

employees with more positive self-efficacy and perceived organizational support may have lower organizational commitment as their period of service with an organization increases (Fung, 2006). Managers needed to find other ways and means of reducing the heavy workload of teachers efforts have to be made to cultivate the professional commitment of teachers in order to motivate them (Siti Hawa, 1980). However, as the costs of work disruption, turnover, absenteeism, poor morale and job satisfaction and low level of employee commitment become an integral element of most public organizations operations, policy makers and public managers in Malaysia are becoming increasingly concerned with the need to introduce techniques that nullify these

## Summary

OC invariably refers to the psychological state characterizing the relationship between an employee and an employing organization (Meyer and Allen, 1997). OC is the strength of identification and involvement with the organization (Steers, 1977). It can be characterized by a belief in and acceptance of the organization's goals and values, a willingness to exert substantial effort on behalf of the organization, and a desire to maintain membership in the organization (Porter et al., 1974). Additionally, Becker (1960) defined OC as organizational membership. Buchanan and Porter et al. (1977) emphasized on identification goals and values of the organization. Meyer and Allen defended affective commitment as emotional attachment to organization and identifies goals of the organization. continuance commitment refer to remains in organization normative commitment refers to remains with an organization because of feelings of obligation and loyalty. Moreover researchers have found that OC may positively impact on job satisfaction, organizational citizenship behavior, organizational Performance, perceived organizational support, organizational justice, productivity,

service quality, job performance, expectations, leadership style, organizational effectiveness, organizational climate.

## **2.16 Relation between Participatory Management and Organizational Commitment**

Meyer and Allen (1997) reported that the predictors of affective organizational commitment generally occurred in three categories: 1. work experiences, 2. organizational characteristics and 3. personal characteristics. Work experiences include factors such as organizational support and fairness. Organizational characteristics are those such as organizational size, autonomy and decentralization. Personal characteristics include those such as gender, age and organizational tenure. Most of researcher effort has been directed toward the discovery of predictors for and outcomes of organizational commitment (Hawkins, 1998).

Six socialization dimensions are used to measure the effectiveness of the organizational support (employee orientation training program) on the participant's service performance. The employees who participated in these programs generally exhibited higher organizational commitment, supported the firm's mission, understood the firm's corporate culture, adopted its values and beliefs, and demonstrated a willingness to adapt to others within the workplace. Moreover, the level of employee training through a realistic job preview, job shadowing opportunities and core-standards training have instilled loyalty and a positive attitude among employees. In general, job satisfaction leads to good employee performance, which, in turn makes them less likely to leave (Arnett et al., 2002).

According to Brown (2003) employees who were treated with consideration and allowed to participate in decision-making had higher levels of commitment to the organization. Hence he reported positive correlations between the leadership behaviors

of charisma, intellectual stimulation, individualized consideration, contingent reward, affective, continuance, and normative commitment. Empirical studies suggest that the bond between employees and their organization is strengthened by a number of factors including job scope, job challenge, leader communication, participative management, occupational commitment, job involvement and job satisfaction.

Autonomy is recognized as a salient factor in the study of affective organizational commitment. If management only emphasizes discipline, authority and control, commitment to the organization will be eroded, or it simply will not develop in the first place. Hence affective organizational commitment and autonomy are positively related (Mathieu & Zajac, 1990; Mottaz, 1988; Hawkins, 1998). Dunham et al. (1994) presented further evidence in support of the trend for positive correlation between affective organizational commitment and autonomy. There is evidence suggesting a relationship between leadership and organizational commitment (Agarwal et al., 1999; Mathieu & Zajac, 1990; McNeese-Smith, 1999; Yousef, 2000) participative and inclusive leadership styles (Morrow, 1993; Yousef, 2000) or consideration-type styles (Blau, 1985; Hampton et al., 1986; Williams & Hazer, 1986) are more positively associated with commitment than task-oriented or structuring styles. However, there is evidence that other factors mediate the relationship between leadership and commitment (Hampton et al., 1986).

Mathieu and Zodiac's (1990) meta-analysis on the antecedents, correlates, and consequences of organizational commitment determined that the influence of leader behaviors (e.g., participatory leadership, leader communication, etc.) on subordinates' level of organizational commitment. Organizational commitment can be influenced by management and that the outcomes of commitment are favorable (Witt, 1993; Lambert, 2004; Robinson et al., 1997; Lambert et al., 2002) found that increased instrumental communication and greater staff integration significantly increased affective



commitment. Lambert (2003) found that there is a relationship between affective commitment and organizational justice. Inanition Perceptions of justice have been found to be linked to organizational and managerial trust (Aryee et al., 2002; Cohen-Charash & Spector, 2001; Pillai et al., 2001).

Trombetta and Rogers (1988) as cited by Yoshimura (2003) found that communication positively related to organizational commitment. This study found that information adequacy, participation in decision-making and communication openness all related positively with organizational commitment. Information adequacy was found to be predictive of organizational commitment. Young et al. (1988) as cited by Yoshimura (2003), found communication openness to relate positively with organizational commitment. This positive relationship has been found in several studies. In addition Johlke and Duhan (2001), found communication quality to be positively related to organizational commitment. This relationship was mediated by subordinate satisfaction with communication. In addition structural correlation, such as decentralization of authority, participation in decision-making, management receptivity to ideas and job autonomy has positive ramifications for commitment (Mowday et al., 1982; Meyer & Allen, 1997). Affective organizational commitment has important implications for both individual and organizational outcomes. The antecedents of affective organizational commitment have been grouped into two main categories: personal characteristics and situational attributes. In considering situational attributes, organizational factors such as perceived leadership styles have been found to be predictive of affective commitment (Zeffane, 1994). Based on these findings, it can be argued that leadership style is an under-researched yet logical predictor of organizational commitment. This also supports the assertions of other researchers who perceived management styles might have an important role to play in commitment (Yousef, 2000; Zeffane, 1994). Other authors have demarcated the antecedents of

organizational commitment in terms of the different components of commitment. Dunham et al. (1994) have identified antecedents of affective commitment (task autonomy/identity, supervisory feedback, organizational dependability, perceived participatory management, age and tenure), antecedents of normative commitment (coworker commitment, organizational dependability) and antecedents of continuance commitment.

According to Kearney and Hays (1994) participative management practices benefits for both individual workers and organizations. They identify benefits for workers in relation to enhanced job satisfaction and personal growth. For organizations, the benefits include increased organizational commitment, reduced labor conflict, lower turnover and absenteeism, fewer accidents, higher productivity and improved problem solving. Nyhan (2000) proposes that participation in decision making, feedback from and to employees and empowerment of employees lead to increased interpersonal trust between supervisor and employee organization. The study further hypothesizes that these trust-building practices between supervisors and workers can lead to an increase in productivity and strengthens organizational commitment. Probably the most difficult aspect of undertaking a participative approach to management is making the personal commitment to accept the decisions of others.

## **2.17 Overall Summary**

There is an abundance of literature that supports the existence of a strong relationship between participatory management and the organizational commitment of the employees. Empirical studies suggest that the bond between employees and their organization is strengthened by a number of factors including job scope, job challenge, leader communication, participative management, occupational commitment, job

involvement and job satisfaction. If management only emphasizes discipline, authority and control, commitment to the organization will be eroded. According to Brown (2003) employees who were treated with consideration and allowed to participate in decision-making had higher levels of commitment to the organization. Trombetta and Rogers (1988) as cited by Yoshimura (2003) found that communication, information adequacy, participation in decision-making and communication openness all related positively with organizational commitment. According to Kearney and Hays (1994) participative management practices benefits for both individual workers and organizations. They identify benefits for workers in relation to enhanced job satisfaction and personal growth. For organizations, the benefits include increased organizational commitment.

There are direct correlations among the components of PM and OC, and there are numerous consequences of the two concepts, based on a meta-analysis of PM and OC from a literature search and analysis. Numerous theoretical propositions can be derived from a meta-analysis of past research works done on PM and OC.

The meta-analysis has yielded Table 1.1 and Table 1.2 before. These tables were used to conceptualize and define the components PM and OC (Figure 1.1) and to guide the construction of the survey instruments for this study.