

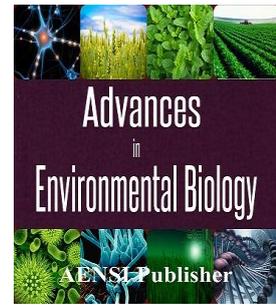


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The role of participatory management system on the effectiveness of organizational decisions (Case study: East Azarbaijan Gas Company)

¹Naser Alipoor, ²Nader bohlooli and ²Seyyed Nooh Nabi

¹Department of Management, Bonab Branch, Islamic Azad University, Bonab, Iran.

²Department of Management, Bonab Branch, Islamic Azad University, Bonab, Iran.

²East Azarbaijan province Gas Company

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ABSTRACT

The present study attempts to investigate the role and effect of participatory management on the effectiveness of organizational decisions in Gas Company of East Azerbaijan through a correlation method and analyzed questionnaire and provide the necessary strategies. The independent variable of this research is participatory management which includes four dimensions: the participation of employees in goal setting, participation in decision making, participation in problem solving and participation in change and development; these dimensions are based on Ranjbar and Labaf (2007) model. The dependent variable is the effectiveness of organizational decisions. The participants are 191 employees. After collecting the data, Kolmogorov-Smirnov, Durbin-Watson and Pearson Correlation Coefficient tests are used in order to identify the degree and amount of relationship between two variables. In addition, Simple linear regression and Friedman tests are used to determine and predict the dependent variable from independent variable and use the results for ranking the variables. The obtained results revealed that there is a significant relationship between all four secondary hypotheses and efficiency of organizational decisions. Also, there is a significant relationship between participatory management and efficiency of organizational decisions in East Azerbaijan Gas Company.

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INTRODUCTION

The common features of modern organizations are related to their dynamicity, complexity, ambiguity and their incompatibility with tradition; they are constantly influenced by their surrounding environment and regard alteration and change as an inevitable necessity. Prediction of changes with relatively logical precision is mostly challenged with problems. Nowadays, innovative thinking and entrepreneurship and administration of them in organizations are inevitable matters. As the birth and death of organizations depends on the insight, intuition and capability of the founders, the development and growth of them also depends on factors like ability, creativity and innovation of the human resources [3]. Participatory management is a modern philosophy that emphasizes on the participation of employees in managing organizational affairs, believing in commitment and importance of human resources with the aim of reaching a better working life quality.

Participatory management is a modern management system that generally deals with involving the employees of all levels in the process of problem prediction, situation analysis and finding solutions, in a way that the employees will be provided with great decision-making power and consult with their managers in all stages.

The prominent feature and preliminary foundation of this system of management are related to creating consultation and cooperation among management and employees of an organization in all fields and generating a system for this purpose. The results of various studies showed that participatory management in the organization have positive effects in the decision making dimensions. French and Coch found out that participation of employees in decision making can be influential in attitude changing and reducing the employees' resistance against alterations.

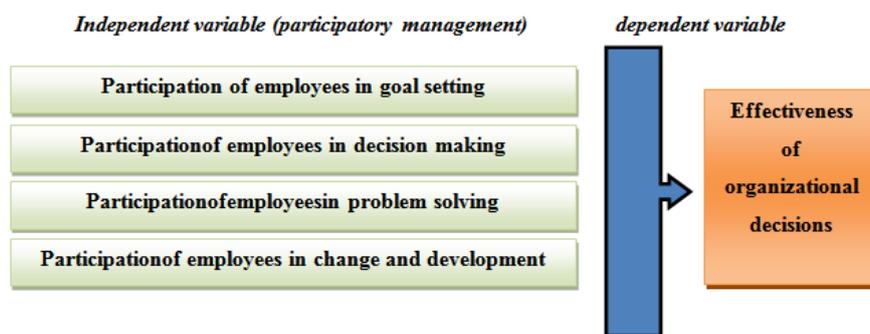
Corresponding Author: Nader bohlooli, Department of Management, Bonab Branch, Islamic Azad University, Bonab, Iran.
E-mail: Na.bohlooli@gmail.com

The significance of the study:

It is obvious that focusing on production and increasing productivity, attaining development and efficient use of resources are among the administrative necessities of an organization. There are various strategies for increasing the productivity and efficiency of organizational decisions and official development of an organization; one of the proper strategies is participatory management, the base and foundation of this kind of management is division of powers and authorities between management and employees. Considering the establishment of cooperative system in East Azerbaijan Gas Company and the tendency of this organization in developing participatory management, also, moving toward privatization and corporation and the need of the organization for proper interaction with stakeholders it seems necessary to create cultural promotion based on related scientific findings.

Cooperation is a tool for promotion and it can be argued that involving employees and cooperating with them result in some goals like creating a sense of attachment among employees, awareness about their opinions and improving their talents. In addition, according to Davis and New storm administering participatory management provides great and useful outcomes for the individuals and organizations.

Participatory management has various advantages such as: faster response to planning, determining strategies and solutions, improving commitment and responsibility in implementing decisions, more innovation, appropriate use of opportunities, creation of feelings like dignity and value among employees [2]. Therefore, it seems essential to find out about the relationship between participatory management and effectiveness of organizational decisions in East Azerbaijan Gas Company.

Conceptual framework of the study:

Ranjbar and Labaf model (2007)

Aim of the study:

The present study aims identifying the role of participatory management in the effectiveness of organizational decisions in East Azerbaijan Gas Company; the aims are illustrated in the following part:

- 1) Determining the role of employees' participation in goal setting on the effectiveness of organizational decisions
- 2) Determining the role of employees' participation in decision making on the effectiveness of organizational decisions
- 3) Determining the role of employees' participation in problem solving on the effectiveness of organizational decisions
- 4) Determining the role of employees' participation in change and development on the effectiveness of organizational decisions

Research hypotheses:

Main hypothesis: participatory management affects the effectiveness of organizational decisions in Gas Company of East Azerbaijan

Secondary hypotheses:

1. Participation of employees in goal setting affects the effectiveness of organizational decisions.
2. Participation of employees in decision making affects the effectiveness of organizational decisions.
3. Participation of employees in problem solving affects the effectiveness of organizational decisions.
4. Participation of employees in change and development affects the effectiveness of organizational decisions.

Review of the related literature:

1. Ranjbar (1999) in his thesis "The effect of participatory management on the efficiency of employees in Behran Oil Company" attempted to investigate the role of participatory management in increasing the efficiency of employees in Behran Oil Company. The hypotheses in this study are based on theoretical model obtained

from review of the related literature. Based on this model participatory management includes four aspects: participation of employees in goal setting, participation in decision making, participation in problem solving and participation in change and development. Based on this model the efficiency of employees was estimated indirectly through certain indexes that illustrate the professional behavior of employees and job motivation and the effect of different aspects of participation on the effectiveness of employees were studied. Generally, the results of this study illustrated that participatory management leads to increase in commitment, reduction of negative resistance and increases in motivation of employees for their jobs. At the end, based on the obtained results it was proposed that for improving the effectiveness of employees organizations can involve them in the related works and increases their participation. Also, this study showed that requirements increase efficiency of employees; so, for increasing the effectiveness of the participation process this fact can be a key in the success of the participatory management.

2. Luke and Jones (2008) conducted a research in 63 nursing units in four hospitals of United States; the findings revealed that there is high level of cooperation among employees and low level of occupational stress in the divisions which administer participatory management. Low occupational stress leads to reduction of job burnouts and finally, increases the quality of nursing services and employees' satisfaction.

3. Effy (2001) and Cullinan (2008) concluded that participatory management is one of the dynamic management systems that has a significant role in human development. Participation of employees in decision making leads to the development and improvement of employees and organizations and also increases morale, motivation, organizational commitment and job satisfaction of employees.

Participatory management:

Sheik Mohammadi and TolitZadeh (2002) defined participatory management as creating a system and condition by the management in order to involve and participate all employees, customers and stakeholders of an organization in the process of decision making, planning and problem solving. Generally, it can be argued that participatory management includes operations in which employees of organizations are involved and participated in the process of decision making; this management method concentrates on voluntary cooperation and participation of employees and it aims at using the ideas, opinions and innovations of employees in solving organizational problems.

Participatory decision making can be various considering its form and base. Participation can be different considering its degree and it ranges from zero till complete participation. The kinds of decisions includes in decision making programs are various and they consist of simple tasks to strategic decisions. In addition, participation may be formed in operational, central or strategic organizational levels. Finally, participation can be various considering its domain; people who are involved in participatory decision making can be a small group or all of the organization members[1].

Dimensions of participatory management:

1. participation of employees in goal setting,
2. participation in decision making,
3. participation in problem solving
4. Participation in change and development [9].

Participation of employees in goal setting:

Reaching organizational goals and improving the productivity of an organization do not happen by miracles and we need planning for them. One of the best actions and proceedings for attaining organizational goals is participating employees in making organizational decisions. Nowadays, the philosophy of participatory management is based on the cooperation between manager and employees and their collaboration in reaching organizational goals in a friendly environment through making decisions in groups[6].

Participation of employees in decision making:

In making decisions we can relatively provide conditions are important for employees in order to create a sense of trust to management in employees and ensure them that administration of the discussed matter in which they have been participated is beneficial for them[5].

Participation of employees in problem solving:

One of the strategies that managers use in overcoming problems and resist against them is using employees' participation. Employees' participation increases their commitment in realization of goals and reduces their resistance against changes. Moreover, using participatory leadership and involving organizational members in decision making, lead to acceptance of changes by employees and reduce their confrontation [8].

Participation of employees in change and development:

Participation creates synergy and efficiency among employees and has positive and fruitful results for organizations; the amount of changes and developments in modern era, without considering their content, are regarded as the most important events. On the other hand, the factors generating changes are increasing every moment [8].

The effectiveness of organizational decisions

Decision making includes choosing a way among numerous ways. Decision making is a process through which solution for certain problems is selected [4]. In order to determine how to deal with problems, mostly the problem is considered on a continuum according to the existent information; on one side the amount of information is desirable and the situation is predictable, on the other side of the continuum the information is limited and the prediction of the situation is very difficult; in this case words such as certainty, risk and uncertainty are used to describe the mentioned situations.

Methodology:

The present study use survey method and it is a cross sectional study. The cross sectional method is used in collecting data about one or several attributes in a certain time period through sampling from society. Also, considering the main goals of this study and the relationship between variables, this descriptive research is a correlation study. Since, the aim of this study is to investigate the role of participatory management in the effectiveness of organizational decisions in a particular organization; this study can be regarded as applied research. The subject domain of the present study is related to "the role of participatory management in the effectiveness of organizational decisions". The spatial domain of this study is related to the case study of East Azerbaijan Gas Company.

The population of this study is 380 official staff in East Azerbaijan Gas Company. From this population, 191 employees were selected through stratified random sampling and estimated by Cochran formula. The instrument of this study is questionnaire related to participatory management and effectiveness of organizational decisions designed from the related literature. The validity of this questionnaire was estimated through operational definition of variables and then the questions were derived from them. Later the reliability and validity of the questions were investigated. Kolmogorov-Smirnov test and Pearson Correlation Coefficient test were used to find out the degree of relationship between variables. Simple linear regression and Friedman test were used to determine the degree and predict the dependent variable from independent variable and use them for ranking.

Data analysis:

Hypothesis testing 1: there is a significant relationship between employees' participation in goal setting and the effectiveness of organizational decisions:

Table 1: summary of statistics related to the model fitting of first hypothesis

Model	The correlation coefficient	The coefficient of determination	Adjusted coefficient of determination	Standard error of regression
1	.178a	.032	.026	.44108

According to table 1, the correlation coefficient is 0.178 that shows high correlation between dependent and independent variable. The coefficient of determination is 0.32 which illustrates that dependent variables can predict amount of variance related to independent variable. Adjusted coefficient of determination is 0.026 which reveals that the independent variable of employees' participation in goal setting can predict 0.026 percent of changes in the dependent variable of organizational decisions effectiveness; therefore, the remaining changes that are called error quantity square are influenced by variables out of the model.

Table 1-1: Pearson Correlation Coefficient of first hypothesis

The effectiveness of organizational decisions	The correlation coefficient	The effectiveness of organizational decisions	Employees' participation in goal setting
	Sig. (2-tailed)		
Employees' participation in goal setting	Number		0.14
	The correlation coefficient	190	190
	Sig. (2-tailed)	0.178*	1
	Number	0.14	
		190	190

According to Table 1-1, correlation coefficient between two variables is 0.178 with 190 degree of freedom and significance level of 0.014. Therefore, there is a significant, direct (positive) relationship between employees' participation in goal setting and effectiveness of organizational decisions; consequently, it can be

argued that employees' participation in goal setting in East Azerbaijan Gas Company influence the effectiveness of organizational decisions.

Hypothesis testing 2: there is a significant relationship between employees' participation in decision making and the effectiveness of organizational decisions:

Table 2: summary of statistics related to the model fitting of second hypothesis

Model	The correlation coefficient	The coefficient of determination	Adjusted coefficient of determination	Standard error of regression
1	.183a	.034	.029	.44060

According to table 2, the correlation coefficient is 0.183 that shows high correlation between dependent and independent variable. The coefficient of determination is 0.34 which illustrates that dependent variables can predict amount of variance related to independent variable. Adjusted coefficient of determination is 0.029 which reveals that the independent variable of employees' participation in decision making can predict 0.029 percent of changes in the dependent variable of organizational decisions effectiveness; therefore, the remaining changes that are called error quantity square are influenced by variables out of the model.

Table 2-1: Pearson Correlation Coefficient of second hypothesis

The effectiveness of organizational decisions	The correlation coefficient	The effectiveness of organizational decisions	Employees' participation in goal setting
	Sig. (2-tailed)	1	0.183*
	Number		0.11
Employees' participation in decision making	The correlation coefficient	190	190
	Sig. (2-tailed)	0.183*	1
	Number	0.11	
		190	190

According to Table 2-1, correlation coefficient between two variables is 0.183 with 190 degree of freedom and significance level of 0.011. Therefore, there is a significant, direct (positive) relationship between employees' participation in decision-making and effectiveness of organizational decisions; consequently, it can be argued that employees' participation in decision making in East Azerbaijan Gas Company influence the effectiveness of organizational decisions.

Hypothesis testing 3: there is a significant relationship between employees' participation in problem solving and the effectiveness of organizational decisions:

Table 3: summary of statistics related to the model fitting of third hypothesis

Model	The correlation coefficient	The coefficient of determination	Adjusted coefficient of determination	Standard error of regression
1	.207a	.043	.038	.43850

According to table 3, the correlation coefficient is 0.207 that shows high correlation between dependent and independent variable. The coefficient of determination is 0.43 which illustrates that dependent variables can predict amount of variance related to independent variable. Adjusted coefficient of determination is 0.038 which reveals that the independent variable of employees' participation in problem solving can predict 0.029 percent of changes in the dependent variable of organizational decisions effectiveness; therefore, the remaining changes that are called error quantity square are influenced by variables out of the model.

Table 3-1: Pearson Correlation Coefficient of third hypothesis

The effectiveness of organizational decisions	The correlation coefficient	The effectiveness of organizational decisions	Employees' participation in goal setting
	Sig. (2-tailed)	1	0.207*
	Number		0.004
Employees' participation in problem solving	The correlation coefficient	190	190
	Sig. (2-tailed)	0.207*	1
	Number	0.004	
		190	190

According to Table 3-1, correlation coefficient between two variables is 0.207 with 190 degree of freedom and significance level of 0.004. Therefore, there is a significant, direct (positive) relationship between employees' participation in problem solving and effectiveness of organizational decisions; consequently, it can be argued that employees' participation in problem solving in East Azerbaijan Gas Company influence the effectiveness of organizational decisions.

Hypothesis testing 4: there is a significant relationship between employees' participation in organizational changes and developments and the effectiveness of organizational decisions:

Table 4: summary of statistics related to the model fitting of fourth hypothesis

Model	The correlation coefficient	The coefficient of determination	Adjusted coefficient of determination	Standard error of regression
1	.164a	.027	.022	.44210

According to table 4, the correlation coefficient is 0.164 that shows high correlation between dependent and independent variable. The coefficient of determination is 0.27 which illustrates that dependent variables can predict amount of variance related to independent variable. Adjusted coefficient of determination is 0.022 which reveals that the independent variable of employees' participation in organizational changes and developments can predict 0.022 percent of changes in the dependent variable of organizational decisions effectiveness; therefore, the remaining changes that are called error quantity square are influenced by variables out of the model.

Table 4-1: Pearson Correlation Coefficient of fourth hypothesis

The effectiveness of organizational decisions	The correlation coefficient	The effectiveness of organizational decisions	Employees' participation in goal setting
	Sig. (2-tailed)	1	0.164*
	Number		0.023
Employees' participation in organizational changes and development	The correlation coefficient	190	190
	Sig. (2-tailed)	0.164*	1
	Number	0.023	
		190	190

According to Table 4-1, correlation coefficient between two variables is 0.164 with 190 degree of freedom and significance level of 0.023. Therefore, there is a significant, direct (positive) relationship between employees' participation in changes and development and effectiveness of organizational decisions; consequently, it can be argued that employees' participation in organizational changes and developments in East Azerbaijan Gas Company influence the effectiveness of organizational decisions.

Main hypothesis: there is a significant relationship between participatory management and the effectiveness of organizational decisions:

Table 5: summary of statistics related to main hypothesis

Model	The correlation coefficient	The coefficient of determination	Adjusted coefficient of determination	Standard error of regression
1	.281a	.079	.074	.43020

According to table 5, the correlation coefficient is 0.281 that shows high correlation between dependent and independent variable. The coefficient of determination is 0.79 which illustrates that dependent variables can predict amount of variance related to independent variable. Adjusted coefficient of determination is 0.074 which reveals that the independent variable of participatory management can predict 0.074 percent of changes in the dependent variable of organizational decisions effectiveness; therefore, the remaining changes that are called error quantity square are influenced by variables out of the model.

Table 5-1: Pearson Correlation Coefficient of main hypothesis

The effectiveness of organizational decisions	The correlation coefficient	The effectiveness of organizational decisions	Employees' participation in goal setting
	Sig. (2-tailed)	1	0.281**
	Number		0.000
Participatory management	The correlation coefficient	190	190
	Sig. (2-tailed)	0.281**	1
	Number	0.000	
		190	190

**Correlation is significant at the 0.01 level (2-tailed)

According to Table 5-1, correlation coefficient between two variables is 0.281 with 190 degree of freedom and significance level of 0.000. Therefore, there is a significant, direct (positive) relationship between participatory management and effectiveness of organizational decisions; consequently, it can be argued that participatory management in East Azerbaijan Gas Company influence the effectiveness of organizational decisions.

Research mean test:

Table 6: mean test

Participatory management	Participation in organizational changes and development	Participation in problem solving	Participation in decision making	Participation in goal setting	Effectiveness of organizational decisions
3.2319	3.0579	3.2039	3.1982	3.4484	3.4218

The obtained mean scores reveal that participation in goal setting has the most mean score (3.4484) and participation in organizational changes and development has the least mean score (3.0579).

Conclusion:

Administration of participatory management through different methods require involving employees in decision making, goal setting, problem solving and change in organizations which are accomplished through cooperative ways like offering suggestions, taking part in meetings and etc.; participatory management leads to innovation, risk taking, invasive competition, renewal and initiatives and generally, effectiveness of organizational decisions.

Generally, considering the above mentioned findings, it can be argued that there is an essential and important hypothesis which reveals that participatory management increases effectiveness of organizational decisions. Participation in different dimensions requires using opinions and effective participation of employees in various processes; thus, it can increase the efficiency of employees and improve the performance of the company. It is clear that these findings cannot consider participatory management as a solution for all management problems; since, participation system has its own limitations and matters. Therefore, successful administration of any kind of participation initially, depends on the requirements of a company and the existence of prerequisites and appropriate conditions and secondly it depends on the accurate way of administration.

Generally, it can be claimed that participatory management in general and participation of employees specifically in goal setting, decision making, problem solving and creating changes and alterations in organizations can be influential in the organizational efficiency. However, growth and development of participation event in Iran is still in the very begging stages. Thus, progress in this route is not easy and it is confronted with various obstacles. Participation in management leads to a sense of compassion among employees in order to increase the quality and productivity in all domains and it constantly increases their dependence and social commitment to the group goals. However, the general process in governmental organizations and even in manufacturing sector reveals that the dominant condition in organizations is traditional and non-entrepreneurial.

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