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Who Wants Participative Management?

THE MANAGERIAL PERSPECTIVE

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Participatory management systems have not been implemented at the pace forecasted by many managerial theorists. A survey of 485 upper-level managers from 59 industrial companies is utilized to examine this situation. The survey results show that the managers have a preference for participative systems, expect desirable outcomes to be achieved, generally perceive a need for organizational change, and express a willingness to support change toward a more participative system but generally do not install them. Contingency factors are examined to explain the variance associated with preferences for participative systems. The survey findings suggest that, although other reasons are often cited, the primary missing ingredient in the forecasted managerial evolution toward such systems is a lack of transformational leadership. Until this is developed, installation and success of such systems will remain limited.

The chorus of managerial theorists noting the onset of a new managerial revolution and encouraging the implementation of participatory management systems has been steadily growing during the 1970s and 1980s (Preston & Post, 1974; Weisbord, 1987). Inadequate management practices have been blamed for a host of microeconomic and macroeconomic problems.

As should be expected, there is a lag between theory and practice. Based on survey information, Freund and Epstein (1984) estimate that 14% of all companies with over 100 employees have some form of major human

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resource program. In companies with more than 500 employees, their survey found that 21% involve employees in goal setting, 15% have a job design/redesign program, 14% have quality circles, 14% have employees involved in scheduling workflow, 11% have task forces, and 8% have labor-management committees. These percentages are improvements compared to previous decades, but not quite the numbers one would expect on the heels of human resource accolades.

Why the delay? The management literature provides four basic reasons why companies may not change to a participative or more involvement oriented system:

1. The results of participatory programs are ambiguous (Locke, Schweiger, & Latham, 1986).
2. The presence of some contingency variables — type of decisions required to be made, type of personnel, and type of company values — suggests that employee participation should not be implemented in many situations (Bullock & Lawler, 1984; Vroom & Yetton, 1973).
3. There is a general lack of managerial support for participatory programs.
4. There is a lack of managerial leadership.

The first two objections have been the primary focus of much recent analysis. In response to the first objection, a growing number of broad studies show that participatory management programs do have a positive impact on company performance (Denison, 1984; Guzzo, Jette, & Katzell, 1985; O'Dell & McAdams, 1987; Miller & Monge, 1986; Yukl, 1981). In response to the second objection, researchers have examined successful and unsuccessful participatory management implementations to determine how contingency variables could be counteracted. As a result, an in-depth analysis on the proper procedures for implementing participatory management programs that takes into consideration a wide range of contingency variables has emerged (Fisher, 1986; Marguiles & Black, 1987; Miller & Schuster, 1987; Ross & Collins, 1987; Schuster, 1987).

This article will explore the second and third objections. Is there a lack of managerial support for participatory management programs? Under what circumstances, if any, is participatory management desirable? The typical reasons why managers may not support participatory systems will be summarized. Then findings of a survey of 485 upper-level managers from 59 companies will be provided. The survey explored managerial perspectives on: (a) actual and ideal managerial styles, (b) need for change, (c) support for change, and (d) likely outcomes of participatory management.

THE PROS AND CONS OF IMPLEMENTING GAINSHARING

Participatory management approaches in a broad sense are not new, nor is support from management theorists a recent phenomenon. The benefits of involving employees in workplace decisions were noted by Mayo (1923a, 1923b, 1924, 1925) during the early 1920s, and Barnard (1938/1968) during the 1930s. One of the first integrative structured participative systems was designed by Scanlon (1947) during the 1930s and 1940s.

Throughout this article, Gainsharing will be used as a model of participative management. With increasing regularity, Gainsharing is being offered as an organizational development system to improve company performance and America's international competitiveness (Freund & Epstein, 1984; Lawler, 1986; O'Dell & McAdams, 1987; Weitzman, 1984); most Gainsharing systems also include significant employee involvement. Gainsharing, a derivation of the Scanlon Plan, often entails the formation of departmental teams, a review board composed of upper-level managers and departmental team members, and a group-based financial bonus where gains in performance improvements are shared by all employees (Kanter, 1987; O'Dell & McAdams, 1987; Ross & Collins, 1987; Schuster, 1987). Employees often are actually involved in processing ideas for improvement, working on cooperation and communications, being on teams, and so on.

Table 1 summarizes the general arguments for implementing Gainsharing from the perspective of managers, the firm, the employees, and the business system. The benefits to the manager, other employees, and the firm are primarily based on survey data and empirical evidence (Freund & Epstein, 1984; Marguiles & Black, 1987; O'Dell & McAdams, 1987); the benefits to the business system are primarily theoretically based (Weitzman, 1984).

Why would upper-level managers not be supportive of a participative management program such as Gainsharing? Halal and Brown (1981) provide a list of the common objections to participatory management systems in general (applicable to Gainsharing) from a manager's perspective: It (a) creates unrealistic expectations and promises, (b) is time-consuming, (c) generates mediocre decisions, (d) confuses accountability, and (e) instigates disruptive conflicts. In addition, managers may perceive the implementation of participatory management as a power struggle between management and the other company employees, resulting in a loss of managerial authority (Fisher, 1986; Kanter, 1982; Kelly & Khozan, 1980), or object to nonmanagerial employees sharing in the financial improvements of the firm if Gainsharing-oriented. These adverse managerial attitudes, usually presented in an anec-

TABLE 1
The Possible Favorable Impacts of Implementing Gainsharing

Improvements from the Perspective of Department Managers:
    Productivity
    Product quality
    Morale
    Teamwork
    Production costs
    Labor costs
    Turnover
    Absenteeism
    Job satisfaction
    Job task flexibility
    Constructive outlet for knowledgeable employees

Improvements from the Perspective of the Firm:
    Competitiveness with other firms
    Cooperation between departments
    Management-labor relations
    Upward communication system
    Understanding by employees of company decisions
    Conflict resolution
    Unified company philosophy
    Linkage of pay to performance
    Compensation costs
    Wage flexibility

Improvements from the Employee Perspective:
    Communications and cooperation
    Involvement
    Knowledge of company and industry
    Teamwork
    Pride
    Long term job security
    Money

Improvements from the Perspective of the Business System:
    International competitiveness
    Demand for labor
    National productivity slump
    Harnessing of inflation

dotal manner without supportive empirical evidence, have been accentuated in the popular business press (Aviel, 1983; Saporito, 1986; Simmons, 1984).

The expected reaction of supervisors to the implementation of Gainsharing is worth noting. Several theorists have highlighted the delicate position of supervisors in the change process (Schuster, 1987; Hatcher & Ross, 1986; Steel, Mento, Dilla, Ovalle, & Lloyd, 1985; Klein, 1984, 1986; Zahra, 1984; Schuster, 1984). In a Gainsharing system, the supervisors often chair the departmental team meetings and moderate the discussion. They are also expected to encourage other employees to provide suggestions that will improve organizational performance and encourage other forms of involvement. Unlike many other employee involvement systems, however, Gainsharing offers the supervisors a monetary reward for changing their managerial style, which should assist in the change process.

For these reasons, some managerial theorists have recently begun to focus on the need for transformational leadership to revive stagnant companies (Bass, Waldman, Avolio, & Bebb, 1987; Tichy & Devanna, 1986; Tichy & Ulrich, 1984). Tichy and Ulrich (1984) point out that the inevitable resistance to organizational change can be offset by transformational leaders, company executives who actively encourage and motivate employees to adapt to the new work environment.

Few empirical or other studies have examined upper-level management's views on employee involvement. One of the first studies was performed by Likert (1961, 1967). In a survey of several hundred managers, Likert found that many of them perceived high performance units as being managed in a participative manner. Ewing (1971) and Krishnan (1974) examined managerial views on corporate democracy (i.e., workers voting on plant closings) and the proper handling of activist employees. Greiner's (1973) survey of 318 executives who attended management education programs at Harvard Business School supported Likert's findings; these executives were attracted to the participative management style. Several studies have surveyed managerial attitudes as a subset of the views of all company employees (Halal & Brown, 1981; Tannenbaum, 1968, 1986). One recent study compared the attitudes of 108 managers from eight companies prior to and after the implementation of an employee involvement system (Hatcher & Ross, 1986).

HYPOTHESES

As noted earlier, the dominant perspective in the literature is that many managers do not accept some management theorists' claims that a System 4 management program such as Gainsharing is highly desirable. Evidence in support of this perspective has been primarily anecdotal. Are these anecdotal

comments exceptions to the rule? Are they rationalizations invoked to explain participatory management failures? Or, do they represent a general sentiment held by managers about participatory plans: In this sense, do they represent a ground swell in opposition to participatory management plans? Has twenty years of participatory management theorizing and analysis been performed in a vacuum to the exclusion of managerial sentiments?

Following are two sets of hypotheses that were formulated to examine managerial sentiments about participatory management programs. The first set of hypotheses (H1-H5) examine general managerial sentiments on preferences for System 4 programs, the need to change to a more participatory system, support for change to participatory management, and expected outcomes resulting from the change. The second set of hypotheses (H6-H15) examine the variance in managerial responses. Some managers might prefer System 4 characteristics more so than other managers due to firm characteristics, such as the current level of cooperation, communication, trust, managerial competence, employee identity, attitudes toward employee involvement, willingness and ability to support change, need for change, or actual management style. For instance, one might expect that managers in companies that had high levels of cooperation or trust would be more likely to perceive System 4 characteristics as an ideal than would managers in companies that had low levels of cooperation or trust. A failure to reject the null hypothesis for any of the second set of hypotheses means that the situational factor does not explain any of the variance in the managerial responses.

HYPOTHESES – GENERAL MANAGERIAL SENTIMENTS

H1: Upper-level managers do not have a preference for the characteristics of a more participatory management system.

H2: Upper-level managers do not perceive a need for the company to change to a more participative system.

H3: Upper-level managers do not support a change to a participatory management system.

H4: Upper-level managers do not perceive others in the organization as supporting change to a participatory management system.

H5: Upper-level managers are skeptical about achieving favorable outcomes from the implementation of participatory management.

HYPOTHESES – SPECIFIC CONTINGENCY FACTORS

H6: Managers in companies with high levels of cooperation at the plant level will be more likely to favor System 4 characteristics than managers in companies with low levels of cooperation.

H7: Managers in companies with high levels of communication at the plant level will be more likely to favor System 4 characteristics than managers in companies with low levels of communication.

H8: Managers in companies with high levels of trust at the plant level will be more likely to favor System 4 characteristics than managers in companies with low levels of trust.

H9: Managers in companies with high levels of employee identity at the plant level will be more likely to favor System 4 characteristics than managers in companies with low levels of employee identity.

H10: Managers in companies with high levels of managerial competence at the plant level will be more likely to favor System 4 characteristics than managers in companies with low levels of managerial competence.

H11: Managers in companies with better attitudes toward employee involvement at the plant level will be more likely to favor System 4 characteristics than managers in companies with worse attitudes toward employee involvement.

H12: Managers in companies more willing to support participatory management plans at the plant level will be more likely to favor System 4 characteristics than managers in companies less willing to support participatory management plans.

H13: Managers in companies more able to support participatory management plans at the plant level will be more likely to favor System 4 characteristics than managers in companies less able to support participatory management plans.

H14: Managers in companies with a higher need for change will be more likely to favor System 4 characteristics than managers in companies with a lower need for change.

H15: Managers in companies closer to the System 4 ideal will be more likely to favor System 4 characteristics than managers in companies farther away from the System 4 ideal.

METHOD AND RESULTS

As part of a Gainsharing feasibility study, the BG Productivity and Gainsharing Institute surveyed 485 upper-level plant managers from 59 industrial companies between 1983 and 1987. The survey consisted of 70 questions that assessed managerial attitudes toward employee involvement and other variables important to Gainsharing. The survey replicated some of Likert's questions on ideal and actual management styles. Other survey questions pertained to managerial perspectives on expected outcomes from Gainsharing implementation, perceived support for organizational change, and perceived need for organizational change. Typically, a consultant from the Institute met with a select group of 5 to 15 upper-level facility managers,

and presented an overview of Gainsharing as a financial bonus system coupled with significant employee involvement. The survey participants usually included the plant manager, controller, top production manager, top engineering manager, top personnel manager, and top sales manager. Such explorations are commonly part of Gainsharing feasibility studies.

Why use Gainsharing as a model for participatory management by which to test the hypotheses? First, as noted earlier, Gainsharing is a radical organizational change technique that entails structural changes in the organization flowchart. Thus it is probably more threatening to managers than many other participatory management plans, such as quality circles and management-by-objectives. Second, Gainsharing, more so than other participatory management plans, can be interpreted by managers as an unnecessary financial drain on the company. From the perspective of a hardened traditional manager, nonmanagement employees not only contribute ideas that managers should have determined, but also nonmanagement employees are receiving group-based wage bonuses when these ideas improve production costs in comparison to a historical trend. Third, Gainsharing plans clearly define under what circumstances employees become involved in the managerial decision-making process. Nonmanagement employees contribute suggestions for production-related issues (as opposed to financial planning or some other managerial functions). Therefore, the survey data would elicit managerial sentiments about one specific type of employee involvement, as opposed to employee involvement in an abstract sense.

The purpose for formulating and testing the five general managerial sentiments hypotheses (H1-H5) was to determine if, in general, managers were opposed to participatory management plans such as Gainsharing. Due to the obviousness and intricacies of trends in the survey responses, these findings will be presented in terms of percentages.

MANAGERIAL STYLE: ACTUAL AND IDEAL (H1)

Six survey questions pertained to the upper-level managers' perceptions on actual and ideal management systems. Each of the six questions was divided into two parts, the first part measuring the perceived management system in the company and the second part measuring an "idealized" version of how the management system "should" operate. The labels System 1 (authoritative), System 2 (paternalistic), System 3 (consultative), and System 4 (participative) did not appear on the survey when administered.

In regard to the company's current management style, the highest percentage of managerial responses was characteristic of System 2 in five of the six

questions (Q1, Q2, Q4, Q5, and Q6 – see Table 2). The one exception pertained to the accuracy of upward communication which the managers characterized according to System 3 (Q3). In the five questions where the managers characterized the company's current management system as System 2, the second highest percentage in four of the five questions was a System 3 characteristic (Q2, Q4, Q5, and Q6). Only in reference to the motivational factor – where is responsibility felt for achieving the organization's goals? – was the second highest percentage a System 1 response (Q1). As for any current System 4 characteristics, no characteristic rated higher than 9% (Q2).

How did the survey respondents believe an organization should be managed? The managers overwhelmingly chose System 4 characteristics for all six questions. The most one-sided responses pertained to motivational and communication factors, with 86% of the managers believing that responsibility for achieving the organization's goals should be felt at all levels of the organization (Q1), 84% believing that the usual flow of information should be multi-directional (Q2), and 83% believing that upward communication should almost always be accurate (Q3). As for the two interaction-influence process questions, 59% and 68% chose System 4 (Q4 and Q5). For the decision-making process question, 56% of the managers believed subordinates should be fully involved, and 44% believed they should be generally involved (Q6). Managerial desires for authoritative characteristics in an idealized management system were negligible. The highest System 1 rating was 1% (Q1 and Q2) and the highest System 2 rating was 3% (Q1).

NEED FOR CHANGE (H2)

Do the managers perceive a need for their own organization to change? The survey covered three distinct "need to change" areas: (a) managerial views on the need for better utilization of employees, (b) managerial views on the need to change to a highly integrated participative management program, and (c) managerial views on nonmanagement employees' perceived need for change. The managers were asked to rate a variety of statements pertaining to these concerns on a five-point scale ranging from "Strongly Disagree" (= 1), "Disagree," "Undecided," "Agree," and "Strongly Agree" (= 5). Selecting "Disagree" or "Strongly Disagree" was considered a negative response, selecting "Agree" or "Strongly Agree" was considered a positive response.

According to the results of our survey, there was *strong* agreement among the managers about the need to better utilize employees and *general* agree-

TABLE 2

Managerial Views on Organizational Style, in Percentage (N = 478)

Question	(Authoritative) System 1	(Paternalistic) System 2	(Consultative) System 3	(Participative) System 4
(Q1) Where is responsibility felt for achieving the organization's goals?	Mostly At Top	Top and Middle	Fairly General	At All Levels
Now?	33	51	13	3
Should be?	1	3	10	86
(Q2) What is the usual direction of information flow?	Downward	Mostly Down	Down & Up	Down, Up & Sideways
Now?	21	39	31	9
Should be?	1	1	14	84
(Q3) How accurate is upward communication?	Usually Inaccurate	Often Inaccurate	Often Accurate	Almost Always Accurate
Now?	5	35	54	6
Should be?	0	0	17	83

(continued)

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TABLE 2 Continued

Question	(Authoritative) System 1	(Paternalistic) System 2	(Consultative) System 3	(Participative) System 4
(Q4) How much confidence and trust is shown in subordinates?	Virtually None	Some	Substantial Amount	Great Deal
Now?	4	48	40	8
Should be?	0	1	40	59
(Q5) How free do employees feel to talk to supervisors about their jobs?	Not Very	Somewhat	Quite	Very
Now?	10	48	37	5
Should be?	0	1	31	68
(Q6) Are subordinates involved in decisions related to their work?	Never	Occasionally	Generally	Fully Involved
Now?	1	59	36	4
Should be?	0	0	44	56

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TABLE 3
Managerial Views on the Need for Change, in percentage (N = 485)

Question	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
(Q7) Employees are valuable resources of the firm, in need of better utilization	0	0	1	29	70
(Q8) There is a need to change to a system of management which encourages involvement at all levels	1	4	7	47	41
(Q9) Nonmanagement employees will agree that there is a need for the organization to change	1	6	21	52	20

ment about the need to change to an involvement oriented system (Table 3). While 99% and 86%, respectively, positively responded to these statements, there was a significant fall-off in the strong agreement responses, from 70% to 41% (Q7 and Q8). Slightly less than one-half of those who strongly agreed on the need to better utilize employees shifted their views to the less committal "agree" option when the change vehicle was specified as an employee involvement system. The managers also expressed some doubt as to whether nonmanagement employees agree that there is a need for the organization to change (Q9). A significant number (72%) responded positively to this statement, but those who strongly agreed declined to 20% and those who were undecided increased to 21%. This doubt is obviously one reason why some managers may not encourage such systems.

SUPPORT FOR CHANGE (H3 AND H4)

Would management and nonmanagement employees support the change if an employee involvement system was implemented? Survey questions pertained to four areas of concern: (a) resistance to change, (b) top and middle

management support for change, (c) supervisory support for change, and (d) employee support for change. The managers were asked to rate a variety of statements pertaining to these concerns on a five-point scale ranging from "Strongly Disagree" (= 1), to "Strongly Agree" (= 5). Selecting "Disagree" or "Strongly Disagree" was considered a negative response; selecting "Agree" or "Strongly Agree" was considered a positive response.

The managers expressed a wide range of views in regard to the "support for change" issue (see Table 4). When asked if the resistance would be limited, the managers' views were almost evenly divided: 37% responded positively, 31% responded negatively, and 32% were undecided (Q11).

There was an overwhelming positive response (94%) when the managers were asked if they personally supported change (Q12). However, the support weakened when the managers were asked to perceive the support of other managerial personnel, including top management. As one progressed down the managerial hierarchy, the perceived support diminished. In regard to each managerial classification – top management, middle management, and supervisors – 73% of the managers responded positively to their expected support (Q13-Q15). But there was a significant shift between the strongly agree and agree responses. While 32% strongly agreed that *top management* would be fully supportive (Q13), only 18% strongly agreed that *middle management* would be fully supportive (Q14), and just 13% strongly agreed that the *supervisors* would be fully supportive (Q15), all again possible obstacles to installing such systems.

The weakest organizational link perceived by the managers in changing to Gainsharing is the reaction of the supervisors. Slightly less than half of the managers responded positively to the statement that the supervisors would take well to participatory management, while 20% responded negatively and 32% were undecided (Q16). The managers expected a better reaction to the change from the employees themselves. A large majority (85%) of the managers surveyed believe that most of the employees would get involved in the Gainsharing plan, and 79% believed that the employees would try to make the Gainsharing plan work (Q17 and Q18).

LIKELY OUTCOMES (H5)

The managers were asked to rate the likelihood of ten outcomes resulting from Gainsharing implementation according to a five-point scale ranging from "No Success" (= 1), "Little Success," "Undecided," "Some Success," or "Good Success" (= 5). Selecting "Some Success" or "Good Success" is

TABLE 4
Managerial Views on Support for Change, in Percentage (N = 485)

Question	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
(Q11) Resistance to change to a more involvement and productivity oriented system will be limited	2	29	32	34	3
(Q12) *You* personally support change	1	1	4	34	60
(Q13) If you implement Gainsharing, *top management* will do everything they can to help it succeed	1	4	22	41	32
(Q14) *Middle management*, in general, would put a lot of effort into making the Gainsharing system successful	1	5	21	55	18
(Q15) Our *supervisors* would, in general, be supportive of Gainsharing	1	6	20	60	13
(Q16) *Supervisors* would take well to participatory management	2	18	32	40	8
(Q17) If given a chance, *most employees* would get involved	0	5	10	59	26
(Q18) *Employees* here would probably give Gainsharing a chance and try to make it work	0	2	19	62	17

TABLE 5
Managerial Views on Likely Outcomes of Gainsharing, in Percentage (N = 478)

Question	No Success	Little Success	Undecided	Some Success	Good Success
(Q19) Increased identity with problems	0	4	7	53	36
(Q20) Improved communications and cooperations	1	3	7	58	31
(Q21) Increased employee involvement	0	4	8	57	31
(Q22) Increased ability to solve problems	1	5	10	61	23
(Q23) Increased labor productivity	0	9	8	61	22
(Q24) Improved quality	1	6	12	58	23
(Q25) Reduce other costs	1	6	14	59	20
(Q26) Pay bonuses	1	6	23	53	17
(Q27) Increased customer service	1	10	21	51	17
(Q28) Increased job security	2	11	33	38	16

considered a positive response; selecting "No Success" or "Little Success" is considered a negative response.

According to our survey results, a majority of the managers exhibited a positive response to all ten outcomes (see Table 5). Notably, the outcomes that the managers expressed the greatest confidence toward were those directly associated with both management/nonmanagement relations and employee behavior (Q19-Q24). Managers provided the highest positive responses for Gainsharing's ability to increase employee identity with problems (89%), improve communications and cooperation (89%), increase employee involvement (88%), increase ability to solve problems (84%),

increase labor productivity (83%), and improve quality (81%), most of which are broadly related to employee involvement. The highest negative and undecided responses were assigned to outcomes that are customarily beyond individual employee performance — job security (46%) and increased customer service (32%; Q27 and Q28).

The managers' responses to the ability of workers to earn a bonus are of special interest: 70% responded positively, 7% responded negatively, and 23% were undecided (Q26). Frequently, it takes several months after Gainsharing has been implemented before employees earn a bonus. This is primarily due to two factors: first, time is necessary before the employees actually change their work behavior, and second, time is necessary before any of the employee suggestions help to realize any savings or cost reduction, and before cooperation, communications, and knowledge of operations actually improve.

SPECIFIC CONTINGENCY FACTORS (H6-H15)

The purpose for formulating and testing the ten specific contingency hypotheses (H6-H15) was to determine if any of the contingency factors could explain the variance in managerial desires for System 4 characteristics. To control for any variances due to the number of survey participants per company, and the number of questions per category, a statistical mean for each factor per company was calculated. This allows for intraorganizational and interorganizational comparisons.

An analysis of variance (ANOVA) was performed on the survey data. Table 6 shows the correlations among the ten independent variables. As would be expected, there were significant positive statistical relationships (most at the .001 level) among all factors. The higher a company's score on communication, the higher was the company's score on trust in management, managerial competence, employee identity with the company, willingness and ability to support a Gainsharing plan, and current position on the Likert System 4 continuum. Also, the higher a company's score on positive attitudes toward employee involvement, the higher were the scores for willingness and ability to support a Gainsharing plan, managerial competence, and the need for change.

Table 7 shows the correlation between all ten independent variables and preference for System 4 characteristics. In reference to H6 through H15, only H11 gained statistical support. Managers in companies with better attitudes toward employee involvement at the plant level were more likely to favor System 4 characteristics than were managers in companies with worse

TABLE 6
Correlation Among the Independent Variables

	Coop.	Comm.	Trust	Comp.	Iden.	Invol.	Will.	Abil.	Change	Actual
Cooperation	—	.78**	.62**	.75**	.46**	.30	.54**	.40**	-.17	.50**
Communication		—	.62**	.79**	.52**	.29	.65**	.38*	-.21	.62**
Trust			—	.68**	.60**	.26	.53**	.40**	-.13	.61**
Competence				—	.52**	.43**	.69**	.42**	-.09	.62**
Identity					—	.17	.42**	.35*	-.02	.64**
Involvement						—	.55**	.51**	.45**	.29
Willingness							—	.47**	.14	.63**
Ability								—	.12	.38*
Change									—	-.17
Actual										—

*p < .01; **p < .001.

TABLE 7
Correlation with Preference for System 4

	Coop.	Comm.	Trust	Comp.	Iden.
Ideal	.18	.13	.10	.25	.04

	Invol.	Will.	Abil.	Change	Actual
Ideal	36*	.15	.27	.14	.03

*p < .01.

attitudes toward employee involvement. Managerial preference for System 4 characteristics was not associated with the level of cooperation, communication, trust, employee identity, managerial competence, willingness to support Gainsharing, ability to support Gainsharing, and need for change at the plant level.

DISCUSSION

Based on the responses of the 485 upper-level managers from 59 companies, there is little evidence of major managerial objections to implementing Gainsharing. The managers perceived a higher performance unit as operating under System 4 (participative) conditions, and believed that implementing a Gainsharing plan would generate specific performance improvements along with many behavioral improvements based on more employee involvement.

The managers we surveyed expected that Gainsharing, if implemented, would achieve desirable outcomes, particularly in regard to employee awareness of problems, improved communication and cooperation, increased employee involvement, increased productivity, and improved product quality. Less optimism was expressed by the managers in regard to the perceived need for change and job security improvement. The survey results show that the upper-level managers clearly perceive a need to better utilize company employees. There is, however, hesitancy among the managers to claim that the solution to the problem entails changing to a highly integrated involvement-oriented system. Kanter (1986) has noted that the change toward employee involvement is complex, not just a "quick fix." Similar sentiments were initially expressed by Likert (1967). There seemed to be some doubt among

the managers as to the necessity of implementing structural changes, even though they had a preference for the new system.

Significantly, the managers who were surveyed overwhelmingly expressed their own willingness to support the change. There was some concern, however, with regard to expected resistance from other company personnel to the organizational change; only slightly more than one-third of the managers believed the resistance would be limited, and slightly more than one-third did not believe the resistance would be limited. Although the managers who were surveyed overwhelmingly would support the change, there was skepticism as to the reaction of their colleagues and subordinates.

Based on the findings of our survey, the probable cause for the delay in the forecasted managerial evolution toward more involvement is not a lack of managerial support for participative management, but a lack of managerial leadership in the change process. The upper-level managers surveyed showed a preference for participative management systems, believed that desirable outcomes could be achieved, and expressed their own support for change. Deciding to implement the change, and to actually implement the change successfully, requires managerial leadership. Our survey results certainly seem to imply that managers do not install more participative systems for primarily one reason: They lack the leadership to do so. Until such transformational leaders arrive on the scene, applications will be limited. Our experiences in actually working with such organizations over a 20-year period seem to validate these results. That is, most managers who are successful over a long term with employee involvement are considerably different from traditional managers in that they believe in the change toward more employee involvement and act on this belief—they are transformational, for lack of a better term.

There may be some question about the bias of the survey sample in that managers at the companies sampled might have (a) provided responses that they believed their superiors desired, (b) had a greater predisposition toward System 4 than managers in the general population, and (c) provided responses that are socially desirable in the more abstract sense.

The first bias is most problematic. Since each company surveyed had invited the BG Productivity and Gainsharing Institute to undertake the feasibility study, an underlying assumption by the managers might have been that positive responses about participative management were desired. We do not believe this is necessarily the case. As of the moment, 71% of the survey sample decided not to implement Gainsharing; thus it is not apparent that their superiors obviously wanted to implement a well-developed employee involvement program. Also, as demonstrated by the statistical support for

H4, the managers revealed that there would be problems gaining full support from both the supervisors and the employees. Future research in this area, however, would have to more clearly control for this problem.

Second, since these companies were inquiring about Gainsharing, the managers at these plants might be more likely to have participative inclinations. Future research in this area should sample managers in other work situations. It should be noted, however, that in many instances companies that eventually implement Gainsharing plans do not have a participative predisposition. O'Dell and McAdams (1987) found that the most often cited reason given by executives as to why their company implemented Gainsharing is that they wanted to improve productivity. Other responses that scored higher than "human resource philosophy" were desires for quality improvement, better employee relations, reduced labor costs, linking pay to performance, and competitive pressures.

The third bias problem, social desirability, is the most interesting for this type of study. To some degree, we are testing to determine if participative management is socially desirable among the managers. With the political trend toward conservatism, and with the high receptivity of conservative philosophy among American managers, the socially desirable response might have been that of managerial self-sufficiency.

One important caveat should be noted in reference to the more rigorous statistical analysis performed on H6 through H15. The Gainsharing feasibility survey is based on ordinal scales, not integral scales. Interpretations of results achieved with ordinal scales are always made with some reservations, particularly when performing interorganizational comparisons.

CONCLUSION

The support for participative management systems by managerial theorists far exceeds the actual number of successful participative programs implemented by companies. To better understand this phenomenon, we explored a possible explanation: Managers do not really want to implement more employee involvement even though they perceive major improvements possible with such changes.

According to our survey results, upper-level managers express a preference for participatory management systems and believe that Gainsharing can achieve desirable performance outcomes. They expect some resistance from company employees. This should be expected due to the magnitude of the organizational change under Gainsharing. The problem areas highlighted by

our survey pertain to the reaction of supervisors to the change and a recognition by company personnel as to the need to change to a system of management that encourages employee involvement. Most important, contingency factors, such as the current level of cooperation or trust in a company, were found to be unrelated to the desire for System 4 characteristics. We need to be very careful not to overgeneralize rationalizations for why some participatory management plans fail as an indictment against participatory management. The contingency rationales are helpful for improving the success rate of participatory management plans and should not be interpreted as major objections to participatory management.

The nagging question still remains: Why the lag? Further research is required in this area. Our findings suggest that the answer may be due to a lack of transformational leadership. Unless in dire straits, a company's management team often will wait for other firms to lead the way. Overcoming organizational resistance to change so that managerial preferences can be pursued requires managerial leadership, the type of leadership that is being demanded of executives in the global environment of the 1980s and 1990s but is still rarely found in business today.

The findings also suggest two very different courses of actions to rectify this problem. First, some blame rests on the shoulders of academic institutions for failure to train managers to be change agents. Second, and more profound, the desire for participation extends beyond a few dissident nonmanagement employees and is found in the upper levels of the managerial hierarchy. Managerial sentiments in this regard, however, typically remain unexpressed unless key organizational decision makers inquire about them. The belief, expressed to us by managers who are frustrated by a lack of employee involvement at their company, that other managers do not prefer a participatory management plan is not supported by the data. There exists a need for managers to more openly discuss among themselves their preferences for employee involvement and how participatory management plans can be implemented at their company.

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