

Importance of Participative Management in Consumer Goods Industry: An Empirical Study

Pankaj Agarwal

Associate Professor, School of Management, Graphic Era Hill University, Dehradun
Uttarakhand India

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Abstract

This paper attempts to examine the importance of participative management in the consumer goods industry. Employers who practice participatory management actively include employees and staff in decision-making and provide them with the authority to support organizational objectives. The consumer goods market, which is fiercely competitive and undergoing fast change, presents businesses with difficulties in keeping up with shifting consumer needs. Understanding the function of participatory management in boosting company efficiency and addressing issues unique to the industry becomes vital in this situation. This study investigates the effects of participative management on critical performance metrics such as employee satisfaction, innovation, productivity, and overall organizational success using an empirical approach. The outcomes of this research will contribute to the body of knowledge already existing on participative management, shedding light on its applicability and efficacy in the consumer goods sector.

Keywords: Consumer Goods, Industry, Job Satisfaction, Participative Management, Workforce

Introduction

The consumer goods industry, which is vibrant and fiercely competitive, is crucial to the world economy. It includes a broad range of things, such as food and drinks, cosmetics, furniture, and technology, among others. Consumer goods companies confront considerable hurdles in meeting client needs and remaining ahead of competitors due to the abundance of options accessible to customers and the quickly changing market trends. For organizational achievement and long-term sustainability in this situation, good management strategies become essential. Participatory management is a style of leadership that has gained popularity recently. The term "participative

management" refers to a management approach that actively incorporates staff in decision-making, values their opinions and suggestions, and gives them the freedom to support the organization's objectives and goals. It differs from the conventional top-down management style and places an emphasis on teamwork and shared decision-making. The idea of participative management is consistent with the concepts of employee empowerment, inclusion, and engagement. Employers can benefit from the information, abilities, and views of their workforce by including them in decision-making. This improves problem-solving, innovation, and performance. Participatory management can be a valuable technique for tackling industry-specific difficulties and fostering success in the consumer products sector, where businesses operate in a fast-paced and customer-focused environment. Participatory management actively involves workers in decision-making processes, which develops a sense of ownership and commitment among staff members and raises levels of job satisfaction and engagement. Empowered workers have a greater tendency to be driven, accept responsibility for their work, and pursue excellence.

Prosperity in the consumer products sector depends heavily on innovation. To remain relevant, businesses must constantly innovate and launch fresh products and services in response to shifting consumer tastes, developing technologies, and shifting market dynamics. To promote an innovative culture within organizations, participatory management can be crucial. Organizations can access a range of viewpoints, foster creative thinking, and find novel solutions to market difficulties by including employees from different levels and roles in the decision-making process. Additionally, participative management can improve employee interaction and collaboration, promoting information exchange, cohesiveness, and effective workflow.

Even if the advantages of participative management are generally recognized, empirical research is still necessary to confirm its efficacy and comprehend its effects on the consumer goods sector. By analyzing the significance of participatory management in the consumer goods sector and its impact on crucial performance measures including employee satisfaction, creativity, productivity, and overall organizational success, this research study seeks to close this gap.

Literature Review

According to Singh (2003), there is an excessive connection to limited interests and a lack of clear comprehension of the real or broader concept of participatory management. Laws cannot be imposed to force people to participate, and neither can the notion of participation be an outdated political burden. Citing the precedents of Germany and Yugoslavia, where "codetermination" and "grass-roots management" are both authorized as per the law, may not be of much use to all management or organizational contexts. The foundation of the traditional management system is the "span of control and chain of command" and "control and supervision." A distinct divide exists as there is one group to lead, make decisions, and employ intelligence. Another group does the work, follows orders, and solely uses its hands. The known motive is money. To manage them, the "carrot and stick" approach is used. Dehumanized workplaces result from such a system and employees deem their working conditions and environment as monotonous, uninteresting, and alienating (Singh, 2003).

By allowing greater subordinate participation in governance and decision-making, modern management suggests that companies and organizations should become less formal. This served as the conceptual basis for participatory management, often known as consultative management. The cohesiveness of a team is mostly reliant on the engagement and satisfaction of its members as well as cordial interpersonal relations. Every employee in a company needs to develop their ability to work as a team. The team manager has a big part to play in this procedure. Making work initiatives and activities appealing to each employee is the manager's responsibility. His responsibility is to accurately determine each employee's profile and each team member's specific skills and qualities. It is well known that if an employee performs a task that he dislikes, his efficiency level plummets by three times, and he eventually leaves the organization. The organizational context—its nature, function, and processes—determines the extent of the participative management style. The frequent flow of information, ideas, discussions, negotiation, opinions, and decisions between the employer and the employees is undoubtedly beneficial for the business, even though it is impossible to involve employees at all levels of management (Ogbo et al., 2016).

By putting the most brilliant ideas of their employees to use, some of the biggest companies in the world, like Toyota, Nokia Cellular, HSBC, Satyam, British Gas, and British Airways, have

generated significant gains and added value. Their accomplishment serves as proof of the value of employees' input in the decision-making procedure. As per Octave, depending on the needs of the business, the extent of employees' participation in managerial decision-making may include social, personal, and economic decisions. However, viewpoints on how much employee input should be used in managerial decision-making vary. It is difficult to launch a fast-moving consumer goods (FMCG) company in Africa that is both competitive and profitable. From the planning to implementation stages, local competence is needed for strategic decisions like the mode of operation, branding, finding acceptable vendors, packaging, and communication (Ogbo et al., 2016).

The study by Kim (2002) looked at the relationship between job satisfaction and participative management in local government organizations. It expanded the study into the relationship between work satisfaction and participative management in regard to the strategic planning process. What are the outcomes of this study's implications for public management? The main takeaway is that executives and managers must be mindful of the significance of managers' use of participatory management, employees' involvement in processes for tactical planning, and the significance of efficient channels of communication with superiors. Agencies should think about using participative management and employee empowerment practices as integral parts of the programs when implementing leadership development programs or other manager and supervisor training (Kim, 2002).

Another study by Cheng (2014), offers empirical support for the link between employee involvement participation (EIP) and subjective well-being in transitional China based on a distinctive data from the Chinese General Social Survey. The econometric analysis demonstrates that various EIP components are markedly related to employees' self-satisfaction with their job, benefits, life, and protective rights, and public sector reform while controlling for personal variables. These EIP components include consultative and participative management, employee and supervisor freedom of expression and effectual conversation, and improved comprehension of and involvement in workplace reforms.

A glossary of all pertinent workflow-related words was issued by the Workflow Management Coalition in 1996. In accordance with a set of procedural principles, it describes workflow as the automation of a business process, in whole or in part, in which tasks, papers, or information are passed from one participant to the next for action. A participant, as defined in the glossary, might be a live person or an automated system in a remote or local distinct organization. This research report will then make an effort to link participatory management to sales production and procedures. To enhance the efficiency of the workflow, managers typically focus on finding new strategies to raise the degree of sales output of the company in question. Including employees in the company's management process is the first step in ensuring harmony between labor and management. This system encourages industrial harmony, human personality, productivity, and efficiency. The impact that labor involvement and workplace mutuality have on employee satisfaction, morale, commitment, and motivation, are related to increased organizational performance. Again, the Indian Government views settling labor disputes, fostering industrial harmony and peace, and raising productivity as the goals of participative management (Ogbo et al., 2016).

Free workflow is improved by participative management because it fosters a positive workplace culture. Additionally, it improves business performance as indicated by production levels of sales. As per studies, only approximately 8% of sales staff felt that there were no benefits to practicing participative management, whereas 92% of them agreed there were. The psychological mechanisms of the effects of participatory leadership behavior of superiors on the work attitudes of employees have been extensively represented by two theoretical models, the exchange-based model and the motivating model. The motivating model of participatory leadership has stronger explanatory power for managerial subordinates than the exchange-based model, but the exchange-based model has stronger predictive ability overall, according to the results of the current study. More specifically, psychological empowerment rather than trust in the overseer was the mediator of the influence of senior managers' participative leadership behavior on middle managers' task performance and citizenship behaviors toward organizations (OCBO) (Huang et al., 2010).

Objectives of the study:

To ascertain the importance of participative management in consumer goods industry

Research Methodology:

This study nature is empirical. 200 respondents were approached to give their view on the importance of participative management in the consumer goods industry. The data was analyzed through frequency distribution and data was presented with the help of pie charts.

Data Analysis and Interpretation:

Table 1 Helps in boosting company efficiency.

| Particulars | Agree | Disagree | Can't Say | Total |
|-------------|-------|----------|-----------|-------|
| Respondents | 176 | 14 | 10 | 200 |
| % age | 88.0 | 7.0 | 5.0 | 100 |

Table 1 represents the statement **helps in boosting company efficiency** and 88.0% respondents admit with this statement.

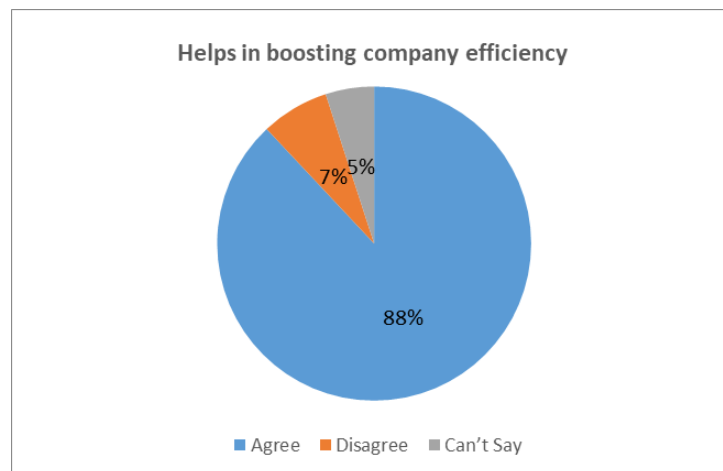


Figure 1 Helps in boosting company efficiency

Table 2 Helps in improving business performances

| Particulars | Agree | Disagree | Can't Say | Total |
|-------------|-------|----------|-----------|-------|
| Respondents | 165 | 20 | 15 | 200 |

| | | | | |
|-------|------|------|-----|-----|
| % age | 82.0 | 10.0 | 8.0 | 100 |
|-------|------|------|-----|-----|

Table 2 represents the statement **helps in improving business performances.** and 82.0% respondents admit with this statement.

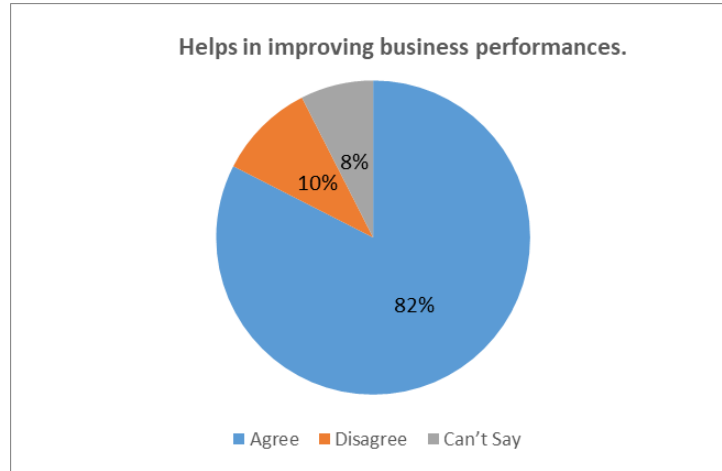


Figure 2 Helps in improving business performances.

Table 3 Helps in addressing company issues effectively

| Particulars | Agree | Disagree | Can't Say | Total |
|-------------|-------|----------|-----------|-------|
| Respondents | 180 | 15 | 5 | 200 |
| % age | 90.0 | 7.0 | 3.0 | 100 |

Table 3 represents the statement **helps in addressing company issues effectively** and 90.0% respondents admit with this statement.

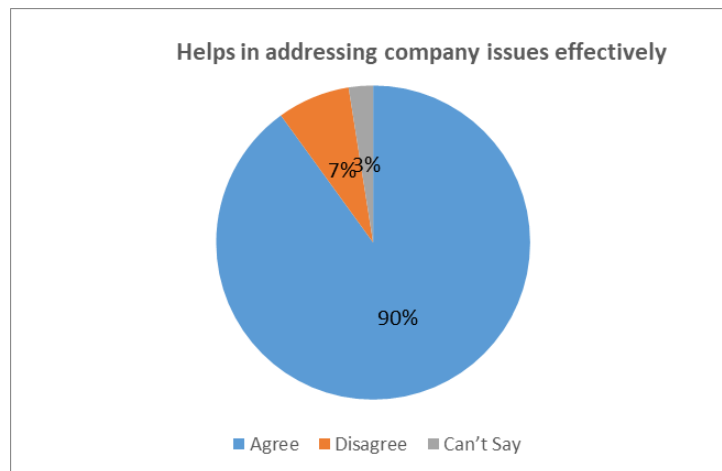


Figure 3 Helps in addressing company issues effectively

Table 4 Helps in improving job satisfaction among employees

| Particulars | Agree | Disagree | Can't Say | Total |
|-------------|-------|----------|-----------|-------|
| Respondents | 172 | 24 | 4 | 200 |
| % age | 86.0 | 12.0 | 2.0 | 100 |

Table 4 represents the statement **Helps in improving job satisfaction among employees** and 86.0% respondents admit with this statement.

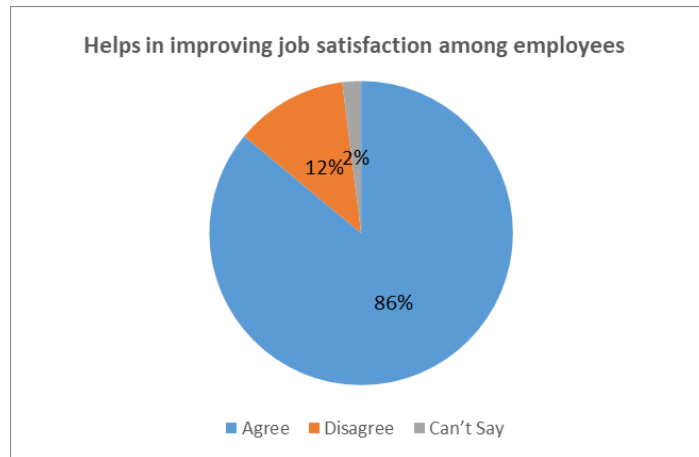


Figure 4 Helps in improving job satisfaction among employees.

Table 5 Allows greater subordinate participation in decision making

| Particulars | Agree | Disagree | Can't Say | Total |
|-------------|-------|----------|-----------|-------|
| Respondents | 186 | 9 | 5 | 200 |
| % age | 93.0 | 4.0 | 3.0 | 100 |

Table 5 represents the statement **allows greater subordinate participation in decision making** and 93.0% respondents admit with this statement. Considering all the responses of the statements, it was found that to a good percentage, the respondents have agreed that participative management is important in consumer goods industry.

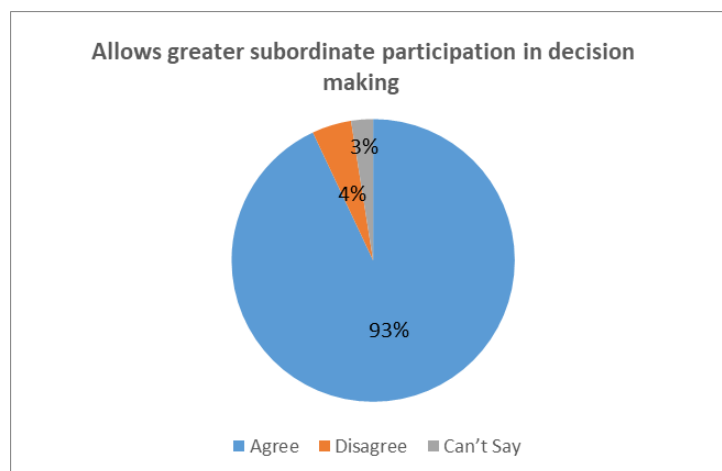


Figure 5 Allows greater subordinate participation in decision making

Conclusion

In conclusion, participative management has become a critical management strategy in the consumer goods industry. Innovative solutions, high efficiency, and employee involvement are required due to the industry's dynamic and competitive character. Participative management provides a cooperative and open framework that empowers staff, raises employee satisfaction, encourages an innovative culture, and boosts overall organizational performance. For business professionals, decision-makers, and scholars in the consumer goods sector, this study has significant implications. The information acquired can be used to direct decision-making procedures, inform the creation of management initiatives, and promote a more welcoming and cooperative work atmosphere. All things considered; participative management has enormous potential to propel success in the consumer goods sector. By including workers in decision-making processes, businesses can benefit from their knowledge, expertise, and viewpoints.

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