



PARTICIPATIVE MANAGEMENT AND EMPLOYEES MOTIVATION IN INTERNATIONAL BUSINESS

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Abstract *Making business in terms of efficiency and effectiveness, respecting the rules of conduct and ethical principles is realized in the current economic climate with a difficulty increasingly higher. It is obvious that external pressures are difficult to overcome, especially since recent years have left deep marks in the economy of all states. But beyond all the factors with negative impact on maintaining a favorable position in the market, there are companies that manage to cope with the difficulties and can get over the moments of crisis. Modern vision of management assigns a special importance on human resource and outlines new directions in terms of motivational policy. The economic crisis has shown that in general financial constraints can be overcome, but it highlighted more, the importance of psychosocial motivating factors. But what happens when management style is inadequate and does not meet the expectations of employees? In which directions is heading the company when managers - examples for other employees - cannot cope with the stressors at work? These are just two basic questions at which we will try to formulate an answer, scientifically based, in this paper.*

Key words:

Leadership, international business, international management, participative management, motivating employees

JEL Codes:

M 16

1. Introduction

The economic, political and social globalization has generated a number of new opportunities, especially for international companies, but also produced a variety of negative effects. The limited resources, economic pressures and increasing competition in every industry are only some of the issues that caused economic organizations to improve their management techniques used in an attempt to maintain a favourable position on the constantly changing markets.

If two decades ago the organizational structure of the companies and the applied management methods could remain unchanged for a long period of time, at present the regular review thereof has become a necessity. The requirements and external pressures are forcing the companies to continually adapt to the conditions generated by the intensification of the international competition, to be more attentive to the business behaviour and to develop their ability to be permanently competitive in terms of several variables such as price, quality of the products or their relationships with the internal and external customers.

Currently, the business environment is characterized by a strong interdependence between national and international economy, and it is worth noting that both companies and consumers have started to pay attention to issues that a few years ago were not

regarded as very important: environmental protection, equity for all parties involved, implementation and enforcement of codes of ethics, involvement in social responsibility actions etc.

In an increasingly dynamic and sometimes unpredictable economic environment, both scientists and representatives of large companies have attempted to bring together their efforts to identify and define as accurately as possible the elements that contribute to the creation of that organizational environment that could generate performance in the long term.

A lot of studies and research conducted in recent years have been directed towards the analysis of micro-environment of the companies, the main purpose being to determine performance indicators and charting the directions necessary for an organization that wants high results.

The secret of achieving outstanding organizational performance consists of the management methods and techniques used, the full involvement of staff in the activity of the company, playing a decisive role in achieving long-term success. In most cases, the management style applied in these companies is the key to the creation and keeping of united work teams that promote communication, determination, cooperation and ongoing collaboration in order to achieve the planned objectives.

Throughout the time, the practice has shown that organizations with long-term vision aimed at achieving outstanding performance in their field of activity are particularly the organizations that sustained innovation making efforts to satisfy the customers and employees and which managed, through high productivity and efficient consumption of resources, to achieve increasingly better financial results. But behind this success has always been the ability of the management to develop leadership skills and the desire to form an organizational culture oriented towards performance and business excellence. Only through proper leadership can get the most from human resources and can be paved the way towards performance.

The crucially important role of leadership is increasingly more emphasized by the research results on international affairs. Many authors believe that the survival of the companies in the new economy will depend only on their ability to adapt to changes and to choose the best management alternative in full compliance with national and international environment (Tocan and Chindriș - Văşoiu, 2013).

2. Methodology of Research

The international business research has shown that one of the most important factors that influence organizational performance is the management style. Creating strong and determined work teams to engage in objectives achievement has become a difficult thing to achieve in a time when financial incentives are difficult to use. It is now certain that the personnel involved in the objectives achievement and in ensuring a good functioning of the company is strongly influenced by aspects such as personality, behaviour and professional style of the managers.

For these reasons, we believe it is necessary to study empirically the management styles used and their impact on the activities of the international companies. In general, the focus was on the deep study of the national and international literature in order to identify the research stage in the field of human resources and organizational behaviour.

The main objectives of this paper are to identify the most important characteristics and key elements of the participative management, regarded as a form of staff motivation and as a determinant factor of long-term success. We believe that in the current economic and social context, maintaining a favourable position in the market has become a real problem for most of the companies; therefore it is necessary to identify the areas where it can be intervened so that this issue does not become too overwhelming.

3. Literature Review

The modern management assigns a special importance to the human resource, regardless of the activity field of the company and the dimension thereof. The latest studies outline new directions in terms of how to elaborate the motivational policies. The specialised literature emphasizes the importance of training and professional development, especially at the management level. Experts estimate that under the current conditions, when there are discussions about a mature and well defined economy, training the managers is a necessity, requiring a radical renewal of the knowledge, skills and behaviours at the workplace (Nicolescu and Verboncu, 2008). This is really necessary because the complexity of international business makes approaching the employees increasingly difficult.

In the real economy, those who manage to attract the human resources on their side basically will be the beneficiaries of their work. The ability of the management to approach employees is directly reflected in the income of the companies (Gregory, 2012). And this is just one aspect to which we can add the fact that the human resource becomes in time the promoter of the company values and contributes to the image of the company significantly through actions taken of social responsibility, the imaging company.

Looking retrospectively it is noticed an evolution of the managerial behaviour, but the continuous improvement and training, including in the field of psychology is the key to approach the employees. If in the past the employees carried out their activity according to well-defined patterns, now the HR strategy has become an integral part of the business strategy. The success of large companies is a result of decreasing the distance between managers and subordinates, which in a simplistic approach can be viewed as two opposing camps.

The difficult times that the world economy has recently experimented emphasized even more the need to build strong work teams and united in the face of pressures and financial difficulties. Before thinking of financial indicators, any person having management responsibility should think about increasing cooperation and loyalty of the working groups, especially when the targeting system is contrary to the expectations of employees.

3.1. Factors influencing the employee's behaviour at the working place

As noted above, human resources are definitely the key element behind any successful business. The human capital available at a given time to a company expresses its possibilities to achieve its objectives and to develop in the future.

The specific role of the human resources is highlighted in terms of at least two essential aspects. Firstly, the employees of the company are the only original production factor, their work having a determinant role in connection with nature and capital. Moreover, they are the only factor of production able to create new values and encourage the use of the other factors of production (Tocan, 2012).

Therefore, the mutual support between employees must be encouraged permanently so that the activity to be conducted in terms of effectiveness. The management intervention and the management style can play a key role in controlling the factors that influence employees in a company. The more and more numerous requests and the care for their resolution by applying optimal variant increase the stress at work. Known as the main factor leading to job dissatisfaction, the stress can cause many problems arising among employees, especially among those who adapt difficultly to such conditions.

The complexity of the business environment generates many other secondary but significant factors, that can cause unbearable stress in the workplace. We mention only a few of these, as follows:

- *career related factors*. For each employee the future is extremely important. The full involvement in achieving the objectives is performed only when the employee is certain that his work will be appreciated. The effort is much higher when the possibility for a career promotion or achieving the desired status arises. Uncertainty regarding career development, training, employee specialization or job security can be eliminated by creating a clear methodology, training programmes and appropriate information of the staff. The management intervention can be analyzed in terms of the specific goals of career development, namely providing professional development opportunities for the employees who have potential and supporting thereof in achieving careers, both inside and outside the organization (Căprărescu *et al.*, 2013).

- *factors related to the nature of the work performed*. The alert work pace, too high level of employee accountability, excessive control, risks related to health and work safety or isolation from other employees are only some examples of factors that can be monitored by the management of the company. Even daily routine can significantly fail to motivate. In recent years there appears a strong tendency to overload the employees and not to observe the working hours.

- *management related factors*. It is evident that the factors related to the company's management have the greatest influence on the way in which employees behave at work. Most times, difficult situations are created by middle management and the causes are multiple. Sometimes middle managers do not have well

developed management skills and can not exercise management functions in an efficient manner, whether there are deficiencies in communication with superior management or even managers are confronted with the above mentioned factors, the fact is that the activity management is not performed properly. Whatever the cause, the risk that the subordinates are not responding as expected to the requests from management is extremely high. An inefficient management is reflected in many aspects such as creating a bad working environment, lack of clarity in establishing primary and secondary objectives, inappropriate projecting of position, poor organization and coordination of activities etc.

The problems are amplified when the organizational promoted by management is in contradiction with the value system of the employees. In such case there is an increased risk of organizational conflicts difficult to handle. Obviously, the entire business activity will suffer.

An organization run by managers who do not have the ability to set clear objectives with clearly defined deadlines, is certainly a lost organization.

However, the worst situations are encountered when the management style does not match the expectations of the employees and instead of stimulating it becomes itself a factor of stress. The management style should encourage communication and ensure an optimal circuit of the information within the company. The excessive authority will only make employees feel disregarded and unsatisfied that they can not express the way they want.

3.2. Participative management – motivational instrument of the staff in international companies

The managers of the companies are those who need to find the best solutions for the contentment and satisfaction of the employees. Their behaviour basically determines the workplace atmosphere and contributes to the creation of the work environment. The organizational culture formed in time may help the company to turn to very good results or on the contrary, can bring unwanted setback.

Researchers in the field of human resource management claim that "*throughout his/her career, every manager can adopt a variety of behaviours and attitudes to exercise specific attributions in a manner characteristic of his personality.*" (Căprărescu, Stancu and Aron, 2013). The specific behaviour of each manager is basically the way in which he exhibits his/her qualities, knowledge and managerial skills in dealing with subordinates.

In relation to employees, the degree to which a manager delegates his/her authority and shows his/her willingness to meet the needs of the subordinates, and

also in way in which he/she exercise his/her power within the company are basically a result of his/her managerial training.

The management style must be adapted to the specific of the organization and continually improved based on the distance to the authority accepted by the staff. In this context, the leadership skills, the training and the professionalism of the managers will be mainstays in the formation and consolidation of the work teams. Let us not forget that managers influence other employees by example, and leaders in the true sense are those who manage to convey the necessary knowledge to their employees, so that they get where they want (Fuhrman, 2012).

For every person on the management, irrespective of the level, the subordinates must be the primary concern. Improving business performance is directly related to improving human relations. *Generally, employees prefer to work in a consultative and participative environment.* This is emphasized including by international experts who argue that the ideal style of running a company is the participative one, manifested by partial delegation and goodwill. A high degree of authoritarianism can generate a series of frustrations among employees and also lead to their progressive alienation to the general objectives of the company (Luke, 2005).

The participative management enables the integration of the staff in the decision making process, which helps the group to understand the real conditions of the company. In this context, there is a greater willingness to accept the changes resulting from the management decisions and the risk of a conflict within the company is diminished.

The most important issues encountered in the business practice are well highlighted by two authors interested in the participative management issue (Popa and Popa, 2008). They argue that from the management perspective, the participation requires meeting two specific actions: *involvement and integration.*

The *involvement* captures the subjective side of the participation, supported by *individual motivation* and also captures in a general framework captures the interests of the employees, their attitude at work, the values and the beliefs behind their training. The *integration* captures the objective side of the participation and involves creating a link between the organization and the employee, by means of which the employee adapts to the professional requirements of the work and develops its ability to influence the organizational decisions.

One can easily notice the strong connection between the participative management and the motivation of the employees. Moreover, motivating the staff reveals the management vision promoted in organizations. Let us

not forget that there is great diversity in terms of staff categories in a company and the individuals are motivated by different things, depending on the expectations and needs they have from that organization. A famous quote, internationally renowned, says: "*Motivation is the art of getting people to do what you want them to do, because they want to do*" (Dwight D. Eisenhower). In the International business practice and not only the participative management style is a powerful tool that can be used to increase the satisfaction of the employee in the workplace.

Increasingly promoted in the last two decades, the participative management has seen in recent years, when the economy has gone through difficult times, a broadening of its applicability in many fields of activity in our country. Large international companies operating on the Romanian market understood how important it is the concern for their employees. An interview with the human resource managers of the most famous multinationals (Orange Romania, Coca-Cola HBC Romania, Ozone Laboratories, etc.), recently published on a website dedicated to corporate social responsibility in our country (<http://www.responsabilitatesociala.ro>), is further proof that the responsible managers are interested in creating a favourable environment for the personal and professional development of the employees, while encouraging innovation and free expression by applying valuable ideas. One of the most interesting statements that we find mentioned in the interview is that "*a company is successful when its employees are performing, they are satisfied, loyal and involved*" (Anca Bancu - Director HR Ozone Laboratories).

The need to promote the participative management is increasingly highlighted in the context of increasing the complexity of the international business environment.

4. Conclusions

The increased professionalism among managers and the business environment dynamics are factors that have led to the development of management methods and techniques used in economic organizations. But let us not forget the two questions that determined the purpose of this paper. *What happens when the management style is inadequate and does not meet the expectations of the employees? In which direction is heading the company when the managers - examples for the other employees - can not cope with stress factors at work?*

It is obvious that within the companies whose management minimises the importance of the human resources, a series of tense situations is likely to appear. As mentioned, the employees prefer to work in an environment where the stress factors have reduced intensity. A high degree of authoritarianism gives rise to

additional pressure and may set up fear among employees both from the point of view of expressing the ideas, as well as with regard to their voluntary involvement in various activities. In time this will make room to a progressive alienation of the employees towards the overall objectives of the company, and this will have significant repercussions.

The management encountered in companies today is extremely complex and must be adapted to the technical and technological progress. However, not only technology advances but also human resources and the expectations of the employees are at a greater extent. With respect to our country, the things are even more complicated because of the difficult past. The employees may become reluctant and devoid of trust towards management and develop an authority frustration. Moreover, they may consider themselves marginalized unless they are given tasks according to their training or are consulted in decisions making about the important matters of the company.

The continuous improvement of the managers will become increasingly important as stress at work will increase. The transformation of the business environment indicates that the development of new skills is a must in order to cope with internal and external pressures. The adaptation of the management style to the particularities of the activity field and the transformation thereof so that it should be in accordance with the requirements of the employees is essential for the future of a business that intends to be successful.

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