CAPÍTULO 11

PARTICIPATIVE MANAGEMENT WITHIN ENTREPRENEURS

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INTRODUCTION

This work aims to enlighten the conception of participation as a management style, both in its theoretical dimension –deepening in delimiting a definition- and in its empirical slope -studying in what degree this management style is being used in Spanish companies, particularly, analyzing to what extent the entrepreneurship condition affects the management style–.

In order to achieve these objectives, we have structured our paper in a first section that will analyze management styles in general, and then we will concentrate in the following sections in the participative management style. Next, we will present our empirical investigation and its results, closing the work with the discussion of our findings and establishing the main conclusions.

MANAGEMENT STYLES

Management's main task consists on making that the objectives of the organization and those of their members are both achieved, through the coordination and integration of everybody's efforts to make the appropriate activities, by means of the formal power attached to any managerial position (Meguzzato and Renau, 1991). The manager is the responsible for turning certain human and material resources into a productive company (Drucker, 1954), while contributing with order and consistency to dimensions such as the quality of products, etc. (Kotter, 1990). Cuervo (2001) synthesizes the former statement by affirming that managing means to assign and to coordinate the resources owned by any organized activity -tangible and intangible, material and human

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resources-, stimulating its continuous improvement and permanently increasing the generation of new resources.

The importance of the manager's role in the society has taken numerous researchers to advance in its study. Literature regarding management is abundant and it has taken shape around two basic questions. In the first place, many investigations have been centered in analyzing what activities develops a manager, being the classic vision of Fayol (1916) the precursor of this question, according to which to manage is equivalent to plan, to organize and to control. Among other authors, we should also pay special attention in this matter to Mintzberg (1983), who leaves the previous guidelines and focuses on describing with detail the tasks and distinguishing characteristics of the managerial work. The second great current of investigation in this field is about the way in which managers make those tasks, that is to say, the management style. As far as our work concerns, we will focus on the study of this second perspective, that is to say, we will center our analysis in the management styles.

Before beginning with the study of management styles, it is useful to start with an explanation of terms. Often the concept of management style is confused with the one of the leadership, since both aim to induce individuals to certain behaviors. The basic difference is that the managerial function shows a formal authority which the leader lacks. Thus, the leader is somebody able to influence in the attitudes, actions and decisions of others, without resorting to formal power. Both concepts, management and leadership, are not excluded but complementary (Kotter, 1990) and therefore, in the present framework of the business management area, where it is considered that there is a need of mobilization of the efforts towards the organization's objectives, management accompanied by leadership is preferred. Following in this line, our work is going to distinguish these concepts, considering they are related but nonequivalent. In fact, we are going to consider leadership as another characteristic or role assumed to management, although simultaneously we will consider that the explanatory theories of management styles are also, in a certain sense, explanatory of the leadership styles, since more participative styles are those in which the manager achieves his objectives from his facet of leader rather than through the formal power he owns.

Literature offers lots of studies with a taxonomy of management styles, but a deep analysis of any of them is not our goal. We will limit ourselves to expose the basic division of management in two different models as far as history and managerial practices concerns (Lawler, 1993; Thomas and Velthouse, 1990; Walton, 1985): the traditional approach or control approach, and the one that could be called commitment or participative approach.

The traditional approach took form at the beginning of the 20th century, when industrialization fostered the proliferation of small repetitive and nonqualified jobs in the production and assembly lines. It was translated into high functional hierarchies where each individual showed an authority and status according to its position (Walton, 1985). We can find the origin of this traditional approach in the works of Taylor (1911) and Fayol (1916) that are based, in short, in a mechanist conception of the human work, a consideration of motivation as strictly economic,

and an interest exclusively focused in obtaining a greater efficiency at work. Consequently, they proclaim a centralized management style, that overrides the subordinates' freedom, since management is the one who indicates what is due to do, when and how to do it, from a system of constant pressure and threats of sanctions. Lawler (1993) describes this style as verticalistic, piramidal, hierarchic, mechanist and bureaucratic.

This work is going to deepen in the second model, that is called in most of the works with a denomination similar to 'participative management style'[1]. Under this management style, more opened and democratic, the participation of the employees in the decision making is made possible, scattering confidence, information and training in the system. Next, we are going to focus on the description of this management style, and later we will analyze the factors that accompany it.

DEFINITION OF PARTICIPATIVE MANAGEMENT STYLE

Participation or participative management is a classic concept in the literature of business management[2], since writings on democratic supervision and participative management are being published with certain regularity since the thirties (Lawler, 1993).

Literature shows many terms that are associated to the idea of participative management. Therefore, is is advisable to make a brief revision and clarify the meaning that we are going to give to certain terms in this paper. Regarding the concepts 'participation' and 'empowerment', we understand, from their definitions, that it does not exist a substantial difference to treat them like different concepts from participative management[3]. Although some authors, like Collins (1995) or Niehoff et al. (2001), attribute different conditions to empowerment and to participation, our opinion is that empowerment is often meant to present/display the old idea of participation with a new concept, aiming to eliminate any negative connotation that the latter might have by its antiquity. Moreover, Baruch (1998) affirms empowerment is a contemporary version of the ideas of the participative movement in the seventies. With regard to the concepts of involvement and commitment, we will consider them as characteristics included in participative

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1. This style is associated to the Y Theory (McGregor, 1960), the participative style (Likert, 1961), the right position in the continuum of Tannenbaum and Schmidt (1958), or the model 9,9 in Blake and Mouton (1985).

2. Wilkinson (1998) presents an extensive historical review regarding the use of this style, its characteristics according to the different times and its various names and relations with other managerial tools.

3. Wide revisions of definitions of *empowerment* can be found at Geroy *et al*. (1998) and Honold (1997), showing that it does not differ substantially of the definition for participative management that we will present later on.

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management[4], that is to say, a participative management style, by definition, includes to involve and to commit employees.

Once identified the terminology most used in this field, we are going to initiate the process of defining what do we understand by participation –participative management–, since one of the main problems that appear in investigations on participation is that this term is used of very diverse forms and it is possible to be understanding by participation an ample variety of questions (Locke and Schweiger, 1979). In this work, we will understand by participation, empowerment or participative management a management style in which the manager involves and commits employees in the decision making process (Cole et al., 1993; Cotton et al., 1988; Harber et to, 1991; Locke and Schweiger, 1979; Locke et al., 1986; Mitchell, 1973; Vroom and Jago, 1988), inviting the individuals to think strategically and to take personal responsibility of the quality of their tasks (Bowen and Lawler, 1995), animating, favoring and compensating that they behave at every moment as they believe it will be best for satisfying the client (Bowen and Lawler, 1992) and for improving the organization's operation (Hermel, 1990).

In any case, the participative model does not exclude a form of supervision to organize, to form and to guide the employees, including also selfcontrol (Geroy et al., 1998; Lawler, 1993). Participation is not just like anarchy, and in all successfull participative systems it is observed that the organizations have planned their objectives and the operation's limits of everyone (Ford and Fottler, 1995; Quinn and Spreitzer, 1997). In short, participative management never loses its doses of 'management' (Eccles, 1993).

In essence, participative management is the management style in which managers share the decision making process with the rest of the members of the organization –that is to say, that the collaboration in the process of decision making is not limited to those positions owning formal power– with certain characteristic as far as information systems, training, rewards, power sharing, leadership style and organizational culture concerns.

The first thing to consider is that such collaboration in the decision making process can very be diverse. It is important to remember that making a decision is not a simple act to choose an option, but a complete process (Ford and Fottler, 1995). Let us remind that the process of decision making consists of the identification of the problem –intelligence phase–, design of alternatives –also called modelization or conception phase–, election among the alternatives, and finally the implementation and revision –where it is observed if the chosen decision has been correctly executed and the opportune rectifications are made, if neccessary. Therefore, the influence shared by managers and other members of the organization can happen in anyone of the phases, without despising the importance of one or another.

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4. An in-depth analisis of these concepts, their relationships, and implications can be found in Becker *et al.* (1996).

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Secondly, we should bear in mind that not all the decisions in the organization are equal. When studying on what kind of decisions a participative management style is applied, some authors (McGregor, 1960) have tried to distinguish between the decisions that affect the employees or those that are important for them. But the conclusions aridsed by this route are too much are varied and out of the goals of this study. A more complete idea consists of considering certain attributes of the decisions, like their content, their importance, their complexity, and their repercussions (Dachler and Wilpert, 1978). In this work we are going to resort to the piramidal classification, for being one of most classic and best known –although it only allows to observe indirectly and partially the before mentioned characteristics, it has the advantage of associating each type of decision to a hierarchic level, which will be helpful to our intentions to identify the degree of collaboration of the members in the decision making process–. The piramidal classification divides decisions in three types, strategic decisions, tactical and operative, so that to influence in one or another type entails very different implications.

Therefore, it is possible to distinguish two basic questions about participation. In the first place, it is necessary to analyze its extent, as far as the hierarchic groups that take part in the decision making process. Secondly, we must consider three characteristics about the way in which the collaboration of these groups is reached and that clarify the degree of participation of the system: its formal or informal character, its form of direct or indirect representation, and the degree of influence that is allowed to employees.

By degree of extent we mean to identify which individuals take part in the programs or participation systems, that is to say, until what hierarchic level arrives the possibility of collaborating or of sharing influence in the process of decision making. The management style will be more participative the more this influence extends throughout all the hierarchic scale.

Regarding the three specific characteristics, participation is formal when there are mechanisms created and officially recognized to canalize it (Locke and Schweiger, 1979), that is to say, through a series of norms or rules that impose –or guarantee– the participation of the employees (Dachler and Wilpert, 1978; Harber et al., 1991). We say that participation is informal when the influence on the decision making is based on the personal relation between the manager and the subordinates (Locke and Schweiger, 1979), through a nonregulated interchange (Harber et al., 1991) that arises from the consensus between the members of the organization (Dachler and Wilpert, 1978). Thus, the management style will be more participative the more formal channels to canalize it exist (Cole et al., 1993), since the informal participation is just the product of an exceptional relation between a manager and his/her subordinates.

When employees contribute in the process of decision making without further intermediaries, we say that we are facing a form of direct participation, and when they collaborate through representatives –for which we understand any means or person that acts in their name, either their immediate superior, or the leader of

their work group, or even their union representative–, the participation is indirect (Córdova, 1982; Dachler and Wilpert, 1978; Harber et al., 1991). Cole et al. (1993) consider that participative management is characterized for being direct instead of being through intermediaries. In the same line Dachler and Wilpert (1978) state that the ideal form of participation in any theoretical framework is the immediate and personal involvement of the members of the organization in the decision making.

As far as the degree of influence, we could resort to several perspective. Our work analyzes the influence degree according to the role that managers allow to play their subordinates. A continuum can be identified that starts at that situation in which individuals just get information about the decisions that have already been taken, until the other end in which the manager delegates in the subordinates the decision making (Córdova, 1982; Dachler and Wilpert, 1978; Harber et al., 1991). Tannenbaum and Schmidt (1958) designed a very explanatory figure on the matter, that was used as descriptive of the leadership style. However, so and as it can be seen in figure 1, and considering our previous explanation on management and leadership styles, we will use the key idea here adapting it to this explanation[5].

To conclude, it is useful to remember the variables that we have identified to describe participation. Table 1 will serve us to describe the participative management style in an organization.

KEY FACTORS IN PARTICIPATIVE MANAGEMENT

So far, the consideration of participative management has been, in certain way, unilateral. We have described what it consists and what different types and degrees of participation can be reached, but the vision would not be complete if we forgot the individuals called to participate and its associate questions. For the participative style to reach the wished positive results it is fundamental that the employees are able to participate and also that they wish to do it. Under this double prism, we will display in this section certain factors that are key for the success of participative management.

The participation, collaboration, involvement and influence in the decision making, must go accompanied, then, of a series of characteristics, without which this style of management is heading for failure. Practically all the investigations that deal with the subject of participative management include a set of key factors that increase the possibilities of success, what's more, they are considered essential for participation's suitable development.

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5. Many articles resort to this continuum from Tannenbaum and Schmidt citing it as an explanation of management style, without taking into account the differences between management and leadership.

We could classify the key factors according to their utility as far as both requisites mentioned at the beginning of the section, that is to say, that the employees are able to participate and that they wish to do it. For employees to be able to participate they must have the necessary information, knowledge and power. For them to wish to participate there must be a suitable system of rewards, a job designed in such a way that the employees feel ready to commit themselves to it –that is to say, a job with meaning–, and it must exist an organizational culture and a leadership style that harness the participative spirit –see table 2–. Next, we will analyze with greater depth the exposed factors.

Factors that allow the generation of a participation's capability

Information / Communication system

Participation is impossible without information. The employees cannot understand how the process works if they do not receive information, nor can improve it by means of their contributions. Without information, employees are themselves limited to fulfill the specifications given to them in a relatively automatic way, without possibility of participation (Lawler et al., 1992; Locke et al., 1986; Randolph, 1995; Rodriguez Porras, 1991) nor to act with responsibility on their acts (Coleman, 1996). On the other hand, the information must also make an ascending circulation, so that managers can listen to the voice of the employees, as well as a trasversal circulation, in the sense of communication with clients and suppliers, internal as as much external (Lawler and Mohrman, 1989; Wilkinson, 1998).

Knowledge

Without the suitable knowledge it is also impossible for employees to participate (Erstad, 1997; Gundry et al., 1994; Lawler et al., 1992; Randolph, 1995; Rodriguez Porras, 1995). The lack of training is an obstacle to the triumph of the participation programs. Obviously, without the basic knowledge, the employees cannot make their work well, but only when their knowledge surpasses the necessary basic capabilities it is possible to look for their involvement in the decision making[6]. Participative management can only work with competent employees, that is to say, equipped with the necessary abilities to make their tasks with effectiveness (Gist, 1987) and to make a useful contribution (Locke et al., 1986). The knowledge can be acquired through what we traditionally know as training systems or by means of self-study, job turnover, attendance to congresses, visits to other plants, benchmarking, etc. (Forrester, 2000). Abilities can be also

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6. In any case, it is important to consider that well-trained employees do not necessarily mean committed or involved employees (Ulrich, 1998).

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developed through instruction schedules or coaching. In the instruction, in addition to abilities, knowledge are transmitted that try to modify nonwished behaviors. Therefore, this concept appears directly bound to the one of culture, since it serves to generate an atmosphere that favors desires to participate in the individuals (Geroy et al., 1998).

Power sharing

An effective participative management style should delegate power, meant as the delegation of autonomy about how and when to do the tasks, that is to say, employees should have capacity of decision on their methods and rate of work, etc. (Bell and Staw, 1989; Brower, 1995; Lawler, 1993). A regular cause of the failure of the participative methods comes from the fact that the responsibility generated when involving the subordinates does not go accompanied of the corresponding delegation of power, authority and facilitation of the access to the resources (Firnstahl, 1989; Ghoshal and Bartlett, 1996). In turn, the delegation of authority and power are only mandatory when an acceptance of responsibility on the part of the employees exists, since responsibility and authority can be considered two aspects essentially tied to each other (Brower, 1995). The more power is transferred to an individual, the greater must be his/her responsibility, and vice versa. We could establish a continuum power/responsibility that starts with a high power together with an inalienable responsibility on the consequences of the use of that power, and ends with a position with little or null power, in which it is not possible to demand any responsibilities (Forrester, 2000).

Factors that allow the generation of participation's desire

Rewarding system

Organizations who are directed under a participative management style should boast an evaluation and rewarding system whose objectives and consequences are in agreement with the characteristics of this management style (Erstad, 1997; Hinckley, 1985; Lawler and Mohrman, 1989; Lawler et al., 1992; Wall and Lischeron, 1976; Walton, 1985). Thus, the increase of responsibility generated by a greater authority must go accompanied of a rewarding system in accordance with the situation. As a characteristic of successful systems of participation, Levine (1990) has proposed compensating suitably to the individual that is receiving more authority and also more responsibility. Organisations should share with employees the fact that higher productivity brings higher profits, not just for social justice, but as a tool to show employees how their participative behaviour helps to improve organisational performance (Ulrich, 1998). On the other hand, the rewarding systems must be designed to award the behaviors more in agreement with the objectives of the organization. The compensation system must sustain the strategic

targets of the organization, as well as its culture (Lawler, 1993). As opposed to the traditional systems of remuneration that compensate the individual effort, participation is used to being translated in cooperation and teamwork (Luthans, 1993). Therefore, Lawler et al. (1992) recommend that a part of the remuneration goes bound to incentives of the team for those workers who belong to a group. Moreover, the lack of an appropriate rewarding system could be detrimental for participation, since employees could consider the productivity improvements as a threat that reduces their feeling of security (Cole et al., 1993).

Meaning

Quinn and Spreitzer (1997), Spreitzer (1995, 1996), and Thomas and Velthouse (1990) indicate four characteristics that have in common most of the people involved in participative management. Three of them are implicit in the previous factors – self-determination, competence and impact. The fourth concept is meaning, referring to the fact that individuals feel their job is important for them and they care what they do (Hackman and Oldham, 1980; Quinn and Spreitzer, 1997; Spreitzer, 1995, 1996; Thomas and Velthouse, 1990). The term meaning implies a direct relation between the requirements of a job and the scale of values and interests of the person who occupies it (Brief and Nord, 1990; Hackman and Oldham, 1980). That is to say, it is not sufficient whereupon the individual that occupies a position possesses the abilities and aptitudes necessary to cover it, but that his/her interests are pointed to highly value working in that position.

Leadership style

Many studies link leadership with participative management (Conger and Kanungo, 1988). There is a wide literature dealing with both concepts, but not much has been written about how is their relationship (Keller and Dansereau, 1995), considering in general that participation requires a certain leadership style that encourages it. To describe what kind of leadership style favours participation, we would keep on Likert's typology. Likert's participative leadership style is an open style, democratic, that considers employees as professionals able to develop their tasks precise and effectively. Thus, managers delegate great responsibility in them, allowing their participation in the decision making process. Leadership style is intimately conditioned by the personal characteristics of the manager (Fisher, 1989). Some authors have tried to identify the main characteristics of the participative leader, such as listening abilities, meeting facilitator, mediator and monitoring (Pastor, 1996). McGregor (1960) and his X and Y Theories are also under a similar consideration –leaders behave accordingly to what they think about their subordinates–.

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Organizational culture

Organisational culture is a factor that clearly influences management style. When culture is opposed to participative practices, the former impedes the latter (Lawler, 1993). Often we find in literature on participative management references to a 'participative culture', in the sense of a culture that allows or favors the participative management style. Some authors try to tie it to a certain type within the multiple existing classifications of the concept 'culture', while others are dedicated to point some characteristics that describe it. As far as the first perspective, Harrison and Stokes (1992) distinguish different types of 'cultures' who promote or inhibit the participative management style. Both types that most promote participation are the 'culture of achievements and the 'culture of support'. The 'culture of achievements' is characterized by individuals who work for a satisfaction that goes beyond merely economic rewards, since they are motivated by achieving organizational and personal goals. Thus, the basic factors are a high moral, teamwork and feeling of camaraderie. In the 'culture of support' an organizational climate based on mutual trust between workers and the organization exists. The individuals feel that they are valued as human beings, feeling happy for working because they like their tasks and because they worry about the people with whom they work together. Without aiming to deepen in other useful tipologies to identify more or less suitable cultures to participative practices, we are going to face the second perspective of analysis –the description of the common characteristics of the cultures compatible with participation–. Through the study of existing literature, we have identified four characteristics that must have culture to allow a full application of the participative system: trust –both trust of managers in employees and vice versa– (Abzug and Phelps, 1998; Coleman, 1996; Erstad, 1997; Ghoshal and Bartlett, 1996; Gundry et al., 1994; Lawler et al., 1992; Lawler, 1993; Levine, 1990; Niehoff et al., 2001; Roth, 1997; Sashkin, 1984), creative atmosphere (Gundry et al., 1994), existence of a clear vision, shared by everybody (Harrison, 1987; Honold, 1997) and fostering cooperation and collaboration (Dessler, 1999; Levine, 1990).

EMPIRICAL RESEARCH

Once the foundations of what it is understood by participative management are laid and once the main factors to consider in this field of study have been analyzed, we come to tackle our main research question, that consists of analyzing if the entrepreneurs show any tendency towards a certain level of participation or if, on the contrary, the management style is not associate with entrepreneurship.

In order to reach that goal, we are going to use a research that tried to measure the management style in Spanish companies. Considering that aim, we decided to limit the research population by the size of the companies, excluding those that, by their low number of employees, would not allow to draw conclusions of their

decision making process that could be widespread. Thus, the population selected for the analysis would be formed by organizations with a significant number of employees, considering that more than 50 would already allow a correct collection of information. As a result of the segmentation and by using the Dun & Bradstreet (2000) database, a total population of 12,656 organizations was obtained.

The instrument used for collecting the information was the questionnaire. A questionnaire was designed, that was pre-tested, in the first place, with a group of experts. After that first contrast, the recommended modifications were introduced and the questionnaire was subjected to a second consultation, where the researcher was attending as observer while three managers, included in the research population, filled up the questionnaire. The general valuation after these pretests was positive, taking place again small recommendations that were considered when elaborating the definitive questionnaire. Then, the questionnaire was sent to a random sample of the population, composed by 1,800 companies, having gathered a total of 86 valid responses, coposing the definitive sample, which we are going to analyze next.

As far as the main characteristics of the companies of our sample and the people who have responded to our questionnaire, we could highlight the following. With regards to the sectors/settings, approximately 60% of the sample are industrial companies. In order to obtain an idea of the size of the companies in the sample, we asked about the annual turnover and the number of employees. With respect to annual turnover, approximately 50% of the sample is between 3 and 30 million annual euros and a little more of 20% surpass 90 million euros. The number of employees was the variable used for the segmentation, so that the sample begins with companies of at least 50 employees. From this number, we can distribute the companies by observing that one third has less than 100 workers, the second third is between 100 and 300, and within the remaining third we could emphasize that something more of a 20% of the companies that have collaborated in our study has more than 500 employees. These and other data of interest can be observed in table 3.

If we observe the profile of the managers who have answered our questionnaire and have informed us about themselves –75%–, it is interesting to point out that a great majority –70%– have university studies and that some more of 15% occupy positions of top manager, being the rest quality managers –17%–, financial managers –10%– and other positions like product, administration, or technical managers, among others. In addition, one fourth is in the company less than 5 years, 14% are between 5 and 10 years, and the rest –around 40%– is over 10 years of seniority in the organization.

In order to measure the degree of participative management, we transformed the definition previously presented, considering participation as the involvement in the process of decision making of different groups –degree of extent– and at different levels –formal or informal channel, direct or indirect way, and degree of influence– in each one of the phases of the decision making process and for each type of decision.

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The scale designed to measure participation can reach a theoretical minimum value of -233 and maximum of 1,093. Applied to this research, the average of the variable that measures participation is 433.94 points and its standard deviation 170.48, with a coefficient of variation of 0,39. The lowest value obtained in this sample is -65 and highest 843. If we transfer these values on a scale from 0 to 1,000 –to make it more intuitive–, we can observe that the average participation in our sample is 502.97, the lowest score is 126.70 and the highest 811.46. Also, we can verify that the variable that measures participation follows a Normal distribution –curtosis coefficient 0.296 and asymmetry -0.416–. The distribution of the sample in percentiles can be seen in table 4.

With this table, it is possible to gain a broad idea of the meaning of the results obtained by calculating the participation degree in the sample. Thus, it is observed that approximately the tenth less participative companies do not exceed the value 330 and that the tenth most participative just surpasses 650. If we establish cutting points in the participation values, values under 400 leave underneath little more than 20% of the companies, and values above 625 leave an equivalent percentage above. 60% of the companies are located, therefore, between 400 and 625 points.

Aiming to identify any type of relation between the participative management style and the entrepreneurship character, we are going to use the double criterion to analyze results according to both the year of foundation of the company and the seniority of the manager interviewed. The first variable, year of foundation, is tabulated within five main groups whereas the lower levels correspond to the oldest companies and vice versa. As far as the seniority of the manager who has answered the questionnaire, we have established seven groups going from low to high seniority.

We have made an analysis of the correlation between the measurement of participative management and the seniority of the manager interviewed. The first result obtained is that the correlation is not significant. In fact, if we look at the contingency table 5, where participation –measured in five levels– and seniority –measured in seven levels– is displayed, it is observable how participative management style is distributed around a Gaussian distribution in each one of the levels of seniority. It is not possible to appreciate any tendency towards a greater or smaller participation based on the years that the interviewed manager keeps in the managing position.

If we analyze the correlation between the degree of participative management and the year of foundation of the company, we obtain a coefficient of 0.253, with significance of 0.05. The positive sign of the correlation coefficient indicates that, the younger the company, the greater it is the participation degree observed. Consequently, through a contingency table –see table 6– it can be seen how the youngest companies –level 5 of the year of foundation– are mainly within a degree 3 of participation and also within an outstanding place in degree 4. Also between the companies whose foundation is labeled as 4, the distribution moves away of the Gaussian one and tends towards levels of greater participation. However, the companies of foundation categories 1 and 2, that is to say, the oldest ones, show a tendency towards degrees of lower participation.

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CONCLUSIONS

Participative management could be defined as the management style in which managers share with the rest of members of the organization the influence in the decision making process. In this sense, it is suitable to insist on the fact that the process of decision making consists of a series of stages, as well as in the consideration of the different types of decisions that are made in organizations. Therefore, any attempt to delimit the degree of participation in a company should consider the hierarchic groups that collaborate in the decision making, as well as the form in which such collaboration takes place –more or less formal, more or less direct and with greater or smaller capacity of influence–; all that for each stage of the process of decision making and for each type of decision.

Also, we have displayed the factors that, according to the main studies, allow to generate the desire and the capacity to participate, specifically, a suitable system of information/comunication, an appropriate training policy, a suitable power sharing that allows employees to exert the effective participation, a rewarding system that generates the desire to participate, a job design that takes care of jobs' meaning, and a leadership style and an organizational culture in compliance with the participative values.

Finally, the empirical study has allowed us to identify one slight relation between the variable that measures the seniority of the manager in the company –considered as a way of introducing the entrepreneurhip character–, and the management style. However, the results are little convincing, and the global conclusion that it is possible to extract happens to identify the management style as relatively independent of the character of entrepreneurship of the manager or, in any case, with a slight tendency of newer managers towards more participative management styles.

To conclude, this work tries to be one initial approach to the interesting field of studying the participative management style. The study of management styles is specially attractive in two main senses. First, research on which organizational factors influence management style: seniority, size of the company, sector, country,… Secondly, management style and its relationship with other business variables: with employee motivation, with change management, or with quality improvements, among others. We hope to be encouraging research in this field starting from this base.

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TABLE 1.
DESCRIPTION OF PARTICIPATIVE MANAGEMENT STYLE

Stages at the decision making process	Decisions		
	Strategic	Tactical	Operative
Problem identification Alternatives' design Alternatives' choose Implementation and control	For each resulting square, the following aspects should be studied: - Hierarchic levels influencing – degree of extent - Formal or informal channel - Direct or indirect way - Degree of influence		

TABLE 2.
FACTORS IN PARTICIPATIVE MANAGEMENT

KEY FACTORS IN PARTICIPATIVE MANAGEMENT

To generate the capability to participate	To generate the wish to participate
- Information / Communication system	- Rewarding system
- Knowledge	- Meaning
- Power delegation	- Leadership style
	- Organisational culture

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Participative management within entrepreneurs

TABLE 3.
CLASSIFICATION DETAILS ON THE SAMPLE

SECTOR	Frequency	%
Industrial	55	64,71
Services	30	35,29
ANUAL TURNOVER	Frequency	%
Less than 6 millions euros	15	17,65
Between 6 and 18 millions euros	21	24,71
Between 18 and 30 millions euros	9	10,59
Between 30 and 90 millions euros	10	11,77
More than 90 millions euros	18	21,18
Answer not provided	11	14,12
No. EMPLOYEES	Frequency	%
Less than 100	30	34,89
Between 100 and 300	29	33,73
Between 300 and 500	6	6,98
More than 500	18	20,93
Answer not provided	3	3,49

TABLE 4.
DISTRIBUTION OF THE 'PARTICIPATION' VARIABLE IN PERCENTILS
(SCALE FROM 0 TO 1.000)

Percentil	10	20	30	40	50	60	70	80	90
Value for particip.	328,13	393,97	456,26	476,77	512,82	533,18	572,02	626,85	659,05

Mean: 502,97
Median: 512,82

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TABLE 5.
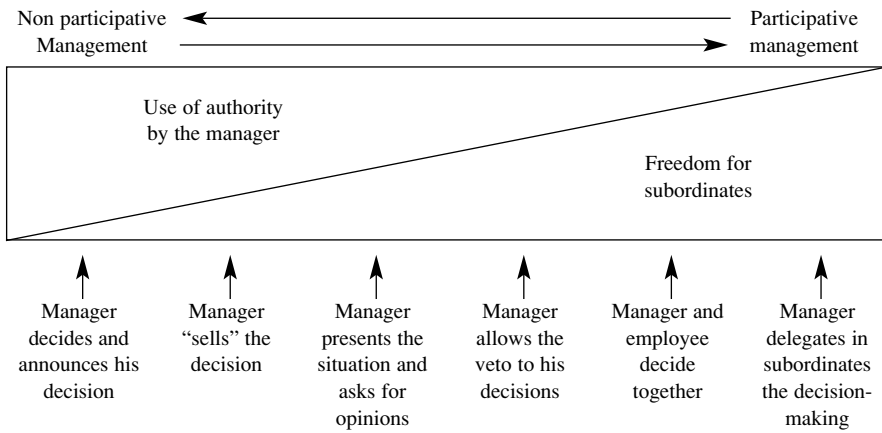CONTINGENCY TABLE LEVELS OF PARTICIPATION / SENIORITY OF
THE INTERVIEWED MANAGER

Seniority of the interviewed manager   Total
(ordered from less to more seniority)

Levels of participation		1	2	3	4	5	6	7	Total
	1,00	9,1%				8,3%	15,6%	15,8%	12,8%
	2,00	9,1%	33,3%			16,7%	15,6%	15,8%	14,0%
	3,00	54,5%	33,3%	75,0%	50,0%	58,3%	40,6%	42,1%	46,5%
	4,00	18,2%	33,3%		50,0%	8,3%	15,6%	10,5%	15,1%
	5,00	9,1%		25,0%		8,3%	12,5%	15,8%	11,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

TABLE 6.
CONTINGENCY TABLE LEVELS OF PARTICIPATION /
YEAR OF FOUNDATION

Year of foundation of the organization   Total
(ordered from less to more youth)

Levels of participation		1	2	3	4	5	Total
	1,00	22,2%	12,8%	11,1%			12,8%
	2,00	11,1%	23,1%		20,0%		14,0%
	3,00	61,1%	35,9%	44,4%	60,0%	66,7%	46,5%
	4,00	5,6%	15,4%	22,2%		33,3%	15,1%
	5,00		12,8%	22,2%	20,0%		11,6%
	Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

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FIGURE 1.
CONTINUUM OF THE DEGREE OF INFLUENCE

Non participative   Participative
Management   management

Use of authority
by the manager

Freedom for
subordinates

| Manager decides and announces his decision | Manager "sells" the decision | Manager presents the situation and asks for opinions | Manager allows the veto to his decisions | Manager and employee decide together | Manager delegates in subordinates the decision-making |

Source: Adapted from Tannenbaum and Schmidt (1958).