

PARTICIPATIVE FORMS OF WORK ORGANIZATION AS A SOURCE OF INTRAPRENEURSHIP IN A COMPANY

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—Abstract—

One way of an active involvement of employees in decision making processes in the companies is using the participative forms of work organization such as quality circles, self-managing work teams, problem solving teams, and other methods that give the employees a certain degree of autonomy and freedom in decision making (Zajac, 2007:291).

In 2011 the author conducted the research which aim was to define the scope of using the participative forms of work in the companies of the Lodz region (Poland) and their influence on the economic and social results of the company. In the paper selected results of the research are presented.

Key Words: *Intrapreneurship, participative forms of work organization, , engaging employees in solving problems of the company, results of the implementation of the participative forms of work.*

JEL Classification: M12, M14

1. INTRODUCTION

Participative forms of work organization are introduced successfully in Japan, the United States and West European countries (Skorupińska, 2009:16-48). In Poland, the scope of their use as well as the knowledge of them among the businessmen is still inadequate. It seems that employers still do not consider their workers as a source of the potential ideas, which can really lead to the improvement of economic results of the company. There is therefore a need to promote the concept of worker enterprising and distribute the knowledge of benefits resulting from the participation of the workers in solving problems of the organization.

In 2011 the author conducted the research which aim was to define the scope of using the participative forms of work organization in the companies of the Lodz region and their influence on the economic and social results of the company¹.

The aim of the elaboration is to present selected research results relating to the range of using the direct participation in the companies of the Lodz region (Poland) and their results for the investigated companies.

2. THE RESULTS OF THE EMPIRICAL RESEARCH

2.1. The methodology of the research

Little interest of the Polish businessmen in applying the employee participative forms of work organization, despite their proven efficiency, was the reason while the author decided to deal with investigating the direct employee participation. As previously mentioned, these forms were applied successfully in many countries, while in Poland the range of applications as well as the knowledge of the problem among the businessmen is still insignificant. It seems that the employers do not still perceive their workers as a source of the potential ideas which may really contribute to the company development.

The aim of the research was to qualify the scope of implementing the employee participative forms of work in medium and big companies of the Lodz region as well as to define what other activities are undertaken in the companies in order to increase entrepreneurship and creativity of the employees (for example the introduction of management concepts like the Kaizen, TQM or the Lean Management, the organization of training for workers on creativity or creative solving the problems, etc) (Walak:229-235; Świderek:2012). Another important goal of the research was to determine the economic and non-economic advantages achieved by the companies thanks to the implementation of the employee participative forms of work and the development of the creative attitudes among the workers (Kozuch, 2011:85-95).

The research was conducted in the period from October 2011 to January 2012, in the companies of the Lodz region employing more than 49 workers, which activity was aimed to achieve the profit. The research was conducted by using a

¹ The research was conducted in the framework of the Grant for scientific studies or development programs and tasks connected with them, serving the development of young scientists and participants of doctoral studies. Number of agreement 545/188.

questionnaire comprising 15 close questions. The questions referred to the types of the enterprising management concepts and the employee participative forms of work implemented by the companies as well as the plans to introduce them in the future. A further research area referred to the motives of introducing the employee participative forms of work and the indication of these spheres of the company activities where the employees can present their suggestion of changes and solutions. The businessmen were also asked how often and what matters concerning the company development were discussed with the workers. One of the most important question referred to the results gained by the companies thanks to the implementation of the employee participative forms of work. It referred to the economic, social as well as organizational results². One of the fields of interest concerned the training of the workers and managers in the range of the professional skills improvement and the development of the enterprising attitudes.

The questionnaires were sent to 513 medium and large companies. Among them 95,9 % of the companies employed 50-249 workers, 3,5% of the companies employed 250-999 workers and 0,6% of the companies employed more than 999 workers. All the companies have been running economic activity in the region of Lodz Voivodeship. The data base of the companies was received thanks to the cooperation with the office of the Marshal of the Lodz Voivodeship. When choosing the respondents of the questionnaires the efforts were made to keep the most uniform branch structure of the companies in order to gain the objective information. Despite this, the most of all field up questionnaires were received from the industrial processing and construction sectors.

2.2. Characteristic of the investigated group of companies

Filled up questionnaires have been received from 58 companies what makes the return equal to 11,3%. The industrial processing companies (33%) and construction sector companies (31%) prevailed in the group of companies which sent the filled up questionnaires. The other respondents were active in the following branches: wholesale and retail trade - 7%, other services - 7% transport

² The economic effects comprise: general reduction of costs, increase of the productivity, the improvement of the products/services quality, general production growth, general profit increase, growth of the number of innovative ideas presented by the employees, improvement of the competitive position on the market. The social effects comprise: reduction of the employees' absence, increase of the workers satisfaction, increase of employees' engagement in the problems of the company. The organizational effects comprise: improvement of the managing processes, improvement of the efficiency in the administration functioning.

and warehousing - 5% manufacturing and supply of electric power, gas and water - 5%³.

Up 91% of the questionnaires were sent by the companies employing 50-249 workers while 9% by the companies employing more than 249 workers (among them there was one company employing more than 999 workers). Private companies accounted for 90%, most of them are independent ones with total Polish capital, while 9% of the respondents were represented by the dependent companies with partial or total foreign capital (Figure-1).

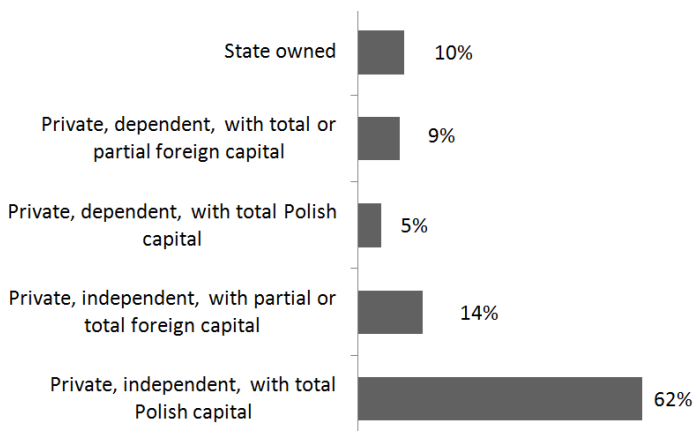


Figure-1. Ownership of investigated companies

Source: author's own study based on research results

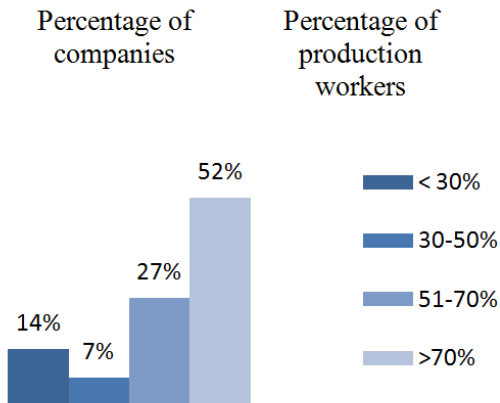
Most companies participated in the research have been acting on the market for more than 10 years (77% of the companies), 14% between 6 – 10 years while 9% of the companies have been acting shorter than 5 years.

Despite the questionnaires were sent both to the production and non-production companies, the production companies were the main group of the respondents. In 52% of the companies, production workers accounted for more than 70% of the total number of employees. Only in 14% of the companies the number of production workers accounted for less than 30% (Figure-2). This results (as previously mentioned) from the type of the economic activity conducted by the majority of the investigated companies (industrial processing and construction

³ The other respondents led activity in following branches: water supply, waste water utilization, land reclamation – 2%, accommodation and food services – 2%, information and communication – 2%, finance and insurance – 2%, professional, scientific and technical activity – 2%, other activity- 2%.

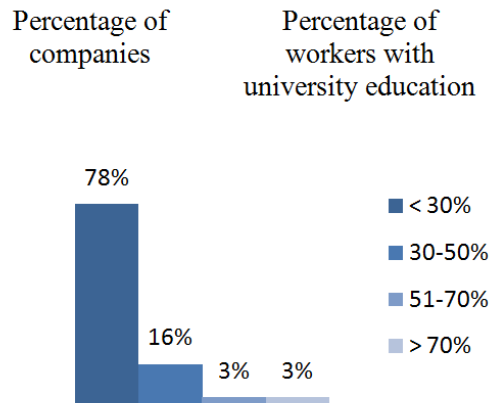
sectors). The nature of the economic activity of the investigated companies affects to large extend the workers' education structure. Only in 6% of the companies the workers with university education accounted for more than 50% of the total number of employees (Figure-3). The production companies, where the workers without the university education were in the majority, dominated in the investigated group of the organizations.

Figure- 2 Percentage of production workers



Source: author's own study based on research results

Figure- 3 Percentage of workers with university education



Source: author's own study based on research results

2.3. Research results

Because of the elaboration subject and the volume limitations beneath the selected results of the research will be presented. The author will introduce the participative forms of the work organization applied in the investigated companies of the Lodz region as well as motives of entrepreneurs when implementing these forms of the work organization. The results achieved by the companies thanks to applying the direct participation will be also presented. The results connected with applying indirect participation forms, which was one of the research area, will be omitted.

The research of the investigated companies point out that 91% of them apply at least one of the participative form of work, However the appearances can deceive because, as represented below results show, the participation in many companies is proving to be illusory. 24% of the investigated companies introduced one form of the participation and 29% of the companies applied two forms of participation.

Seven forms of direct participation are used in one organization (out of nine occurred in the questionnaire) (Table 1).

Table 1: Number of participative forms of work applied in the investigated companies

Number of forms	0	1	2	3-4	5-6	7	Total
Number of companies	5	14	17	16	5	1	58
Percentage of companies	9%	24%	29%	27%	9%	2%	100%

Source: author's own study based on research results

In the companies of the Lodz region, the least advanced participative forms are still the most popular, among them job enlargement (applied in 66% of the companies), regular meetings with the workers (what generally means only informing the workers about the company's activities) (applied in 48% of the companies) and job rotation on the work-place (40% of the companies) (Table 2) (Paliszkiwicz, 2007:73; Mendel, 2001:79-81; Skorupińska, 2009:46-47). Such results can arise from the nature of the production and construction branches, in which the employees work mostly on highly specialized work stations. The problems solving teams operate in every fourth investigated company but their area of activity is generally very narrow (Rudolf, 2001:149-160). The most advanced forms of employee participation like self-managing work teams or quality circles are applied in 2% of the companies only. It may testify that the employers do not know these employee participative forms of work. Employers' reluctance to delegate tasks because of low confidence or disbelief in the crew's enterprising abilities may be a possible reason of the low popularity of the team forms of the employee participation.

Table 2: Participative forms of work organization applied in the investigated companies

Form	Companies%	Form	Companies%
Job enlargement	66	Negotiations with workers	17
Regular meetings with workers (informing)	48	Project groups	16
Job rotation	40	Self-managing work teams	2
Problems solving teams	24	Quality circles	2
Job enrichment	21		

Source: author's own study based on research results

In the organization, where only one form of the participation has been implemented, the solutions that practically make it impossible for the workers to influence the management decision making, dominate. (Table 3). The quality circles, which give the workers real possibilities to make changes in the organization, operate in one of the fourteen companies only.

Table 3: Work organization types in companies applying one employee participative form

Form	Number of companies
Job enlargement	4
Regular meeting with workers (informing)	4
Job rotation	3
Negotiation with workers	2
Quality circles	1

Source: author's own study based on research results

One can notice that in the investigated companies the main factors, deciding about implementing employee participative forms of work independently of their number, are: the necessity to decrease costs, the necessity to improve the quality of products and services and the pressure to increase the productivity (Table 4). The companies, which applied more than one employee participative form of work, were motivated also by the desire to improve work conditions. The companies applying 3-4 participative forms of work were motivated by the necessity to reduce the costs and the need to increase the innovation of the company. While in the companies applying two participative form of work it was the need to improve the quality of products and services and desire to improve the work conditions.

It research show that despite applying the employee participative forms of work, few businessmen recognize the employees' right to the participations. It is worth seeing that only in three of 53 companies the application of the employee participative forms of work result from the employees' demand (precisely of their trade unions). The trade unions act in eleven of 53 organizations, however in three companies they had an influence on the implementation of the direct participative forms of work. Thus there are no initiatives proceeding from the ranks in which the workers themselves (not management) exert for their influence on the organization activity. Moreover, very few companies see a possibility to extend company's innovation in the employee participative forms of work. Also few of them motivated their choice with the positive experience of other companies in this area.

Table 4. Factors determining the application of the participative forms of work

Number of the participative forms of work	1	2	3-4	5-6	7	Total
Number of companies in the group	14	17	16	5	1	53
Factor:	Number of companies					
Necessity of improving the quality of products and services	5	9	8	5	1	28
Necessity of reducing the costs	7	7	10	4	1	29
Pressure on the productivity growth	5	7	7	4	1	24
Conviction that the workers have the right for the participation	2	3	5	2	1	13
Desire to improve work conditions	2	9	8	3	1	23
Unused abilities of workers	5	3	8	5	1	22
Requirements of the workers (their trade unions)	0	2	1	0	0	3
Positive experiences of other companies in this area	2	1	2	2	1	8
Need to increase the company's innovation	2	4	10	3	1	20

Source: author's own study based on research results

One of the aims of the research was to show how often and what matters are discussed by the employers with the employees or employees' groups. The results showed that in 57% of all investigated companies, the employers regularly consulted with the employees the matters concerning the contact with the customers, in 50% of the companies the matters of: health and safety, increase the quality of the products and services, work organization, were consulted. Only in 38% of the companies the employees were asked to express their opinion regarding the training and professional improvement and in 28% the matters of time work was consulted. These results are not satisfactory, especially as regards the possibility to the employees' influence on the decisions concerning the professional development.

As it was previously mentioned, one of the most important research areas concerned the results of implementing the participative forms of work. Among the companies, that applied at least one form of the direct participation, 89% of the companies noticed the positive results of their application⁴. Basing on the results one can notice that, about half of the companies observed the growth of the productivity, general reduction of costs and improvement of the quality of sold products and services.

These results varied, depending on the number of applied participative forms of work (Table 5). It is interesting that only seven companies recorded general profit

⁴ Six companies did not notice any results of implemented participation methods. All mentioned companies applied the job enlargement, companies applied job enrichment, three – job rotation, two companies - regular meetings with the employees and one - problems solving teams.

increase, which should result from three, above mentioned events. It would seem that the result of the profit increase should be visible in the companies which use many participative form of work. However, none of the companies applying more than four participative forms of work did not observe the profit increase. The reason of such results may be unreliability of the respondents during filling up the questionnaires or limited knowledge of the businessmen regarding the participative forms of work. The other reason could be a low efficiency of management processes which should monitor permanently the quality and efficiency of applied participative solutions.

Table 5: Results of the implementation of the participative forms of work

Number of participative forms of work	1	2	3-4	5-6	7	Total
Number of companies in the group	14	17	16	5	1	53
Result:	Number of companies					
Total reduction of costs	7	4	7	4	1	23
Productivity growth	5	8	4	5	1	23
Improvement of the quality of the products and services	4	8	9	5	1	27
Total increase of production	1	1	1	0	0	3
Reduction of the employees' absence	3	0	3	1	0	7
Improvement of the management processes	4	5	7	4	1	21
Increase of employees' engagement in the problems of the company	5	5	7	5	1	23
Improvement of the efficiency of administration functioning	3	1	4	2	0	10
General increase of profit	2	3	2	0	0	7
Growth of employees' satisfaction	3	3	7	5	1	19
Growth of innovative ideas presented by the employees	1	1	5	2	1	10
Improvement of the complete position on the market	1	1	1	0	1	4
Lack of results	1	2	3	0	0	6

Source: author's own study based on research results

However, the results show that the growth of employees' satisfaction with performed work as well as the increase of the employees' engagement in the problems of the company are greater in that companies which apply more than two forms of the employee participation. It is seen therefore that the participation of the employees in taking decision process may result in improving the work conditions.

The results of the participation effects recorded in the companies of the Lodz region are not satisfactory. One can notice also incompatibility or sometimes even contradiction and discordance some of them. Despite the use of the participative forms of work, in 91% of the companies one can have the impression that in the

majority of the companies these forms of participation exist only formally. A small number of companies treat the employees under partnership principles but the majority do not see the possibilities that the employee participative forms of work can bring to the organization in problems solving. Furthermore the participative actions should be supported by the appropriate management process, i.e. should be planned, organized, managed and controlled, although in the investigated companies the participative actions did not probably undergo such procedure.

3. CONCLUSION

The above discussed solutions referring to an active introduction of the workers into the process of solving the problems of the company are widely applied in many countries of the world. In Poland the direct participative forms of work are still unappreciated. In the companies which enable their workers to take part in making decisions, the workers' influence on the processes taking place in the company is still limited and concerns mainly to arranging their work-places.

The main employee participative forms of work applied in the companies are still the forms of limited and even doubtful participation of the workers in decision making. They are the regular meetings with the workers which are most often limited to informing about the situation and the plans of the company, job enlargement or job rotation. Although 24% of the investigated companies established in their structures the problem solving teams, but their scope is usually very limited. Such participative forms of work like the quality circles or the self-managing work team are applied in 2% of the companies only.

Despite of the chosen form of participation the entrepreneurship should be supported by flat organization structures and an appropriate atmosphere, permitting creative and innovative thinking (Luecke, 2005:148-157). It is worth emphasising that introduction of the different forms of the employee participation cannot be an aim itself. These methods should constitute the tooling for implementing superior goals of the company as the growth of clients' satisfaction, the improvement of the products quality, the increase of profits, etc.

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