Why Managers Must Be Facilitators

The Reasons Behind Participative Management Are Pragmatic and Profit Oriented

John Naisbitt

Picture this: a company without bosses, titles, time clocks, or conflicting egos. Imagine a place where a secretary's opinion means as much as the top executive's. Teamwork is so important here that employees even take vacations together.

Sound like the corporate version of Woodstock? Only according to past perceptions. Under the heading of "participative management," a growing number of companies have embraced innovative work styles in which conventional barriers are removed and everyone has a voice in decision making.

Still considered too idealistic by some, participative management has always battled an image problem. But the portrait of "progressive" corporate managers as throwbacks to the permissive '60s and '70s is more myth than reality. In truth, the new facilitator has a pragmatic goal: to increase employee productivity and boost profits.

Since installing its participative-management program last year, San Diego–based Cipher Data Products has experienced a 10 percent increase in customer-quality acceptance in every product line. But making its participative-management strategy effective was a structured, step-by-step process.

When president and CEO Gary E. Liebl arrived at Cipher, a manufacturer of data-storage systems, he faced management that was hierarchical, even autocratic at times. He came up with 13 crucial strategic objectives, one of which was to implement a participative-management program.

Building Commitment

First Liebl delegated control of the new program to the company's corporate vice president of human resources, who pulled together a cross-section of employees charged with pinpointing what had to be done. They found that Cipher needed at training program, designated communications channels, shared responsibility, and real commitment from top management. Then the company established schedules and budgets, and management agreed on a monthly reviewing process to monitor progress.

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In studying other companies that had tried innovative work styles, Cipher officials discovered an irony: Participative management can't always be implemented "participatively." "Someone has to take charge," explains Liebl. "We had to define a set of objectives."

As Cipher and other companies have learned, working in a participative environment is far from all fun and games. "Some managers personally feel a loss of power when participative management is implemented," explains Marvin Standley, division

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manager and seminar director at Southwestern Bell Corp., which has accelerated its innovative management efforts in recent years. "There has to be room for all management styles."

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While managers may think they are acting as the great facilitators, in reality many are doing just that—acting. Often they allow employee participation and decision making only on trivial issues. According to Allan R. Cohen, professor of management at Babson College in Massachusetts and co-author of *Managing for Excellence*, "Participation comes to mean 'subordinates give opinions, but the boss decides.'"

To avoid such problems, Cohen says companies should (1) build participative management into the company's overall structure. That is, consider it a goal in itself; (2) push decision making down to the absolute lowest level of expertise; and (3) educate managers to view themselves as facilitators. Show them that participative management isn't a threat, but a timesaver that frees them for new projects.

While embracing the philosophy of innovative management is easy, parlaying it into measurable productivity is not. Managers must mix a take-charge attitude with a clear-cut policy of shared responsibility. New work-style programs may appear soft on the outside, but their foundation must be sturdy. **PM**

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