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## Studying Advantages of Cooperative Management Administration Programs and Their Relationship with Improvement of Organizational Factors in Sepah Bank of Ardebil Province

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### Abstract

*In the contemporary management, the participation of employee in the process of decision making has always attracted the attention of theorists of this field; in addition, different ways and mechanisms have been offered in order to use their comments in organizations. However, one of the problems faced by organizations is the problem of human power and inability to use the potential ability of employees. Also the existence of traditional organization structures will make the personnel participation in organizational affairs difficult. For this reason, a study was done about the administration of cooperative management plans and organizational factors in Sepah bank in Ardebil region. The independent variable consisted of components of clear objectives, evaluation of performance, organizational structure, training of employees, rewarding system, and access of employees to resources. The dependent variable was cooperative management. The goal of this study was to establish cooperative programs in the direction of improvement of organizational factors, particularly among employees that increase the amount of effectiveness of employees as the main resources of the organization, and reduce additional costs. This research was done in the form of descriptive survey with the aim of studying the advantages of administration of cooperative management programs and their relationship with improvement of organizational factors in Sepah bank of Ardebil province. Standardized questionnaires of Whetten & Camera were used with slight changes. 172*

questionnaires were distributed among employees from which 120 were answered and returned. Correlative coefficient of Pierson was used in this research because there was a relationship between dependent and independent variables, and the components of independent variable were ordinal. The findings indicated that there was a meaningful relationship between dependent and independent variables. In other words, there is a direct relationship between organizational factors and cooperative programs. Therefore, we can use cooperative management programs in banks and other government offices that have traditional structures with dictated programs in order to present more awareness to employees and create a cooperative atmosphere in organizations and also improve organizational structures along with an ideal and effective performance.

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**Key Words**

*Organizational Structure, Participative Management, Rewarding System, Training of Employees.*

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## I. INTRODUCTION

One of the problems that organizations are facing nowadays is the problem of manpower and their inability to use the potentialities of their employees particularly at expertise and professional levels. It has led to the reduction of their productivity. A common way to solve this problem is the use of participatory management. From among programs under consideration in manufacturing and service organizations, and government offices in Iran, is the implementation of participatory management, because it has some advantages such as increasing of quality, reducing of the costs, additional profitability and more importantly reducing of dependence. But before implementation of this type of management, the present status of organizations and the amount of their readiness to use it should be examined.

Research indicates that extensive participation of employees is an important factor to achieve continuous innovation in organizations. That is why organizations try to implement participatory management by using their employees' suggestions and initiatives in the process of administration. On the other hand, the direct participation of employees in tasks helps them perform their duties more seriously and more responsibly. Participation in political, social, and economical affairs has got great importance especially in the recent period of time. On the other hand today's society, more than any other thing, is in need of economical, political, and cultural development, and this type of development is not possible except through people's participation.

Government employees are a great part of our population who are constantly in contact with people, so they must receive enough respect as the main body of the government who can meet a great part of people's needs and thus paving the path to comprehensive development. Motivation helps employees change everything in favor of their organization and themselves with the help of their will power and experiences, so one of the most important ways to achieve organizational goals is to encourage employees to participate in the process of administration.

## II. RESEARCH LITERATURE

### A. Participatory Management

Creation and development of management systems is necessary for taking charge of a big

organization, and the participatory management, system is of great importance. Creation of a suitable environment and opportunity for employee's voluntary mental participation in organizational tasks, leading to physical and spiritual pleasure for the employees, is followed by this system. The main aim of participatory management system is to develop human values along with using the intelligence and talent of employees in the direction of organizational goals [6]. Participatory management is the practice where by an organization's employees are involved in decision making process and the emphasis is on voluntary cooperation and participation of subordinates in order to use their ideas and suggestions to solve organizational problems. Of course the participatory system, improves motivation in employees by increasing their satisfaction level [13].

Participatory management is a way to fight against bureaucracy a necessity resulted from size growth in socio-economical organization in industrial societies, a need for network partners in post-industrial societies, a solution to re-unite the societies built on the base of separation and isolation and lack of communication, and finally a rational response to the present time requirements and challenges. Collaborative management is so important that experts such as Lee Preston and James post called it "the third revolution in management", a decade ago, implying that the first and second revolutions were respectively the emergence of organizational hierarchy and separation of ownership and the professionalization of management. Research indicates that collaboration results in increase of efficiency, effectiveness, and quality. It reduces the amount of conflicts between managers and subordinates and also prevents from negative resistance such as absenteeism, delays, and poor working. It also contributes to increase in motivation and commitment of employees and finally increase in organizational efficiency.

## **B. Organizational Factors**

An organization is a goal-based social institution with an intentionally planned structure. It has active and coordinated systems interconnected with the external environment [4]. Organizational goals are not usually accessible by single individuals, and some kind of collaboration is required to achieve them. Of course it is not necessary for all members to accept organizational goals completely, but some common agreement on them is sufficient for the aim of organization. Organizational factors are, indeed, the components of the organization that play role in the formation of the organization and represent its nature. In other words, they include all factors within internal elements and under the control of the organization. These are factors such as clear goals, reward system, organizational structures, staff training, staff access to resources, and performance evaluation system, all of which highly influence the process of participatory management [2].

## **C. Having Clear Vision and Goals**

In the consideration of organizational characteristics that facilitate the member's participation, the first factor is having challenging and clear vision [9]. In this process participants feel that they have understood the views of senior management and the organizational strategies, and this

feeling helps them think that they have sufficient competence to perform their duties accurately and independently rather than waiting for guidance and command of their managers [10]. Specifically determined behavioral goals assist employees to carry out their tasks, and increase participation. Clear aims introduce desired outcomes and accountability. The point is that people become accountable when clear vision of the future is provided for them, and specific behavioral goals help employees understand how to achieve a bright future. In short, all ideal functions start with clearly aim [4].

#### **D. Reward System**

The establishment of reward system is of considerable importance in government organizations because it can enhance the spirit of cooperation among employees and distinguish active individuals from inactive members. This is an attempt to provide an opportunity for active members to benefit by their ideal performance in the organization. They may be given some money or be appreciated in other ways. Various incentive schemes may be implemented in the state systems. The most common of them include performance based awards that pay some money to the members for their ideal performance. Another way is to appreciate the employees that represent the best suggestions to heighten the level of organizational income. The presence of such programs accelerates the improvement of productivity in the organization. Research on this area shows that Japan and some other European countries have achieved high level profitability through implementation of reward systems. The profit obtained in this way is finally divided among individuals, groups, organizations and the community. In fact, in this way, the management gives rewards to the employees according to specific behavior. This process tells the members which behavior must be left and which must be followed [11].

#### **E. Organizational Structure**

Organizational structure is the governing relationships on posts, systems, and operational processes, individuals and groups who try to achieve organizational goals. In other words, it is a set of ways to appoint duties and make necessary coordination among them [7]. Organizational structure is important because it increases the effectiveness of organizational control on activities required to access to determined goals. The main aim of organizational structure is to control coordinating procedures used in activities of individuals, as well as to control the ways of motivating employees to achieve organizational goals. The suitable structure for any organization is the one that facilitates effective accountability to coordination and the process of motivation of employees [8]. The organizational structure can be considered as the most important part of an organization after organizational goals. The broadness in the scope of definitions and effectiveness of structure also puts emphasis on its importance specifically that any organizational change is interrelated with the dimensions of organizational structure [14].

#### **F. Staff Training**

Staff training is a process to help individuals' adaptation to changing environment of the organization and consequently the adaptation of the organization to the external environment.

Educational programming primarily follows targets such as increasing the amount of information, knowledge, skills and abilities of employees and prepares them to perform their specific duties and to accept more responsibilities in the organization. In other words, a training program should be developed in a way that it can meet professional requirements of employees and solve their problems in the workplace. Therefore, the training and improvement of manpower contributes to deeper insight, higher level of knowledge and skills and a greater ability of employees to conduct their duties. This can finally lead to the achievement of organizational goals with higher levels of efficiency and effectiveness. Today few organizations are able to improve and develop, without staff training [3].

### **G. Staff Access to Resources**

Participatory management is related to a variety of organizational resources that help employees perform their duties. The most important of the resources are those helping employees have control over their lives and jobs, and thus improving their sense of self-efficiency and independence. When employees feel that they have whatever is needed for success, and they are free to do in whatever way they want in order to achieve organizational goals, their performance will become significantly higher than when the resources are not available [9]. Any participatory organization should provide an environment where employees have authority to allocate the necessary amount of budget. In this way the employees may have sufficient motivation and energy to ideally do their jobs [1].

### **H. Performance Evaluation**

Performance evaluation is an extensive discussion among experts, and different models and frameworks have been represented on it. Researchers have the most effect on the shaping of this particular field. Organizations consider human power as the major resource of value creation and competitive factor. Among other things, preservation of human power and motivation of employees toward increasing efficiency by employing various mechanisms such as reward system are important strategies used by organizations. Today the vision governing the process of performance evaluation has changed. If only the results of performance evaluation lead to promotion of employees, a dynamic evaluating system won't be performed in the organization. The process of evaluation should seek to develop human resource at all organizational levels, so in order to enforce the new vision on realistic performance evaluation, a new approach should be followed in which the priority is given to staff development [5]. In a powerful organization, the employees share a responsibility; that is they participate in the process of evaluation. It means that parties (employees and managers) are engaged in evaluation. Here the employee attempts to evaluate his own performance according to predetermined goals. Meanwhile, often a number of team members or colleagues are asked to give comments on the case. The person being assessed may ask four or five other persons to act as assessors and thus extend the scope of assessment process, so that more individuals working in the organization can be engaged in giving feedback to each other [12].

### III. RESEARCH METHOD

One major and five minor hypotheses were developed in order to conduct this research on the effect of participatory management on each of organizational components.

#### A. Major Hypothesis

There is a relationship between the accomplishment of participatory management and organizational factor of Sepah bank in Ardebil region.

#### B. Minor Hypotheses

*(1) There is a relationship between participatory management establishment and having clear goals.*

*(2) There is a relationship between participatory management establishment and reward system.*

*(3) There is a relationship between participatory management and employee access to resources.*

*(4) There is a relationship between participatory management establishment and the amount of staff training.*

*(5) There is a relationship between participatory management establishment and the organizational structure.*

*(6) There is a relationship between participatory management establishment and employees' performance evaluation.*

Regarding the kind of aim, this research is an applied research, and regarding the method, it is a description survey research. From spatial point of view, the domain of this research is Sepah bank Ardebil region. It was conducted between years 1390-1391. The title of research is the analysis of participatory management advantages and its relationships with improvement of organizational factors in Sepah bank, Ardebil region, (case study). According to latest statistics available, 32 branches of Sepah bank are active access Ardebil province in 1391.

The total manpower working in the branches is 172 people that are an average of 6 individuals in each branch. Due to low statistical universe volume, the statistical sample in this research is equal to statistical universe. 172 questionnaires were distributed among employees from whom 120 were answered and returned Whetten and Cameron standard questionnaires with some modification were used to gather data. The questionnaires consisted of 20 questions as follows:

- 1) Three questions about payment system.
- 2) Four questions about employee access to resources.
- 3) Three questions about having clear goals.
- 4) Three questions about staff training.

- 5) Three questions about organizational structure.
- 6) Three questions about performance evaluation.
- 7) One questions about participatory management.

The scale used in the questionnaires consists of five points starting with strongly disagree to strongly agree. Cronbach's alpha method was used to determine the reliability coefficient as follows:

$$r_a = \frac{J}{J - 1} \left( 1 - \frac{\sum S_j^2}{S^2} \right)$$

Where, J = the number of questions in the questionnaires, S<sub>j</sub> = the variance of Jth questions, S<sup>2</sup> = variance of total questions.

Cronbach's alpha coefficient of questionnaires is 0.762, so it can be concluded that the questionnaires have ideal stability with an alpha coefficient greater than 0.7. Also removal of any question won't lead to any changes in the alpha coefficient, so no questions will be removed from the questionnaires. The data are shown using descriptive charts and tables (frequency, percentage, and cumulative percentage). Also mean and standard deviation were used. The Pearson coefficient analysis was employed for the purpose of analytical inference of data because of sequential quality of variables (participatory management, clear goals, reward system, access to resources, staff training, organizational structure, and performance evaluation). Likert spectrum was used to design questionnaires, and Pearson index was used to measure the relationship among variables, and finally, the spss18 software was employed to analyze the data.

#### **IV. ANALYSIS**

As graphs and tables show, 69.5 percent of respondents in our study are male and 30.5 percent were female, 8.3 percent of them have high-school diploma, 39.3 percent have associate's degree, 25.8 percent have bachelor's degree and master's degree, and finally 3.3 percent have doctoral degree.

*1. First Hypothesis Test: "There is a relationship between participatory management establishment and having clear goals"*

H0= there is not any relationship between participatory management and having clear goals.

H1= there is relationship between participatory management and having clear goals.

H0: r =0

H1: r ≠0

The value of this index fluctuates between  $-1 \leq r_s \leq 1$ .

TABLE I: PEARSON CORRELATION BETWEEN PARTICIPATORY MANAGEMENT AND CLEAR GOALS

Pearson coefficient	0.351**
Standard error	0.000
Number	119

An analysis of the data shows that obtained Pearson coefficient is equal to 0.351 because the resulted error is less than 0.01

Sig 0.000 < 0.01

So it can be claimed 99 percent confidences that there is a relationship between participatory management and having clear goals. Therefore we confirm H1 and disconfirm H0 with less, then 0.01 error.

*2. Second Hypothesis Test: "There is a relationship between participatory management and reward system"*

H0= there is no relationship between participatory management and reward system.

H1= there is a relationship between participatory management and reward system.

H0:  $r = 0$

H1:  $r \neq 0$

The value of this index fluctuates between  $-1 \leq r_s \leq 1$ .

TABLE II: PEARSON CORRELATION COEFFICIENTS BETWEEN PARTICIPATORY MANAGEMENT AND REWARD SYSTEM.

Pearson coefficient	0.279**
Standard error	0.002
Number	120

The analysis of the data indicates that obtained Pearson correlation coefficient is equal to 0.279 because the resulted error is less than 0.01

Sig 0.000 < 0.01

Therefore, it can be claimed with 99 percent confidences that there is a relationship between participatory management and reward system, so we confirm H1 and reject H0 with less, then 0.01 error.

*3. Third Hypothesis Test: "There is a relationship between participatory management and staff access to resources"*

H0= there is no relationship between participatory management and staff access to resources



H1= there is a relationship between participatory management and staff access to resources.

H0:  $r = 0$

H1:  $r \neq 0$

The value of this index fluctuates between  $-1 \leq r_s \leq 1$

TABLE III: PEARSON CORRELATION COEFFICIENTS BETWEEN PARTICIPATORY MANAGEMENT AND STAFF ACCESS TO RESOURCES

Pearson coefficient	0.563**
Standard error	0.000
Number	120

The analysis of the data indicates that obtained Pearson correlation coefficient is equal to 0.563 because the resulted error is less than 0.01

Sig 0.000 < 0.01

Therefore, we can say with 99 percent confidences that there is a relationship between participatory management and staff access to resources, so we confirm H1 and reject H0 with less than 0.01 error.

*4. Fourth Hypothesis Test: "There is a relationship between participatory management and staff training"*

H0= there is no relationships between participatory management and staff training.

H1= there is a relationship between participatory management and staff training.

H0:  $r = 0$

H1:  $r \neq 0$

The value of this index fluctuates between  $-1 \leq r_s \leq 1$ .

TABLE IV: PEARSON CORRELATION COEFFICIENTS BETWEEN PARTICIPATORY MANAGEMENT AND STAFF TRAINING

Pearson coefficient	0.865**
Standard error	0.000
Number	120

The analysis of data indicates that Pearson correlation coefficient obtained equal to 0.865 because the resultant error is less than 0.01

Sig 0.000 < 0.01

Accordingly it can say with 99 percent confidences that there is a relationship between participatory management and staff training. Therefore, we confirm H1 and reject H0 with 99

percent certainty and less than 0.01 error.

5. *Fifth Hypothesis Test: "There is a relationship between participatory management and organizational structure"*

H0= there is no relationships between participatory management and organizational structure.

H1= there is a relationship between participatory management and organizational structure.

H0:  $r = 0$

H1:  $r \neq 0$

The value of this index fluctuates between  $-1 \leq r_s \leq 1$ .

TABLEV: PEARSON CORRELATION COEFFICIENTS BETWEEN PARTICIPATORY MANAGEMENT AND ORGANIZATIONAL STRUCTURE.

Pearson coefficient	0.182*
Standard error	0.047
Number	120

The analysis of data reveals that Pearson correlation coefficient obtained equal to 0.182 with the obtained error is less than 0.05

Sig 0.000 < 0.05

Consequently we can claim with 95 percent certainty that there is some relationship between participatory management and organizational structure. Therefore, we confirm H1 and reject H0 with less than 0.05 error.

6. *Sixth Hypothesis Test: "There is some relationship between participatory management and performance evaluation"*

H0= there is no relationships between participatory management and performance evaluation.

H1= there is some relationship between participatory management and performance evaluation.

H0:  $r = 0$

H1:  $r \neq 0$

The value of this index varies between  $-1 \leq r_s \leq 1$ .

TABLE VI: PEARSON CORRELATION COEFFICIENTS BETWEEN PARTICIPATORY MANAGEMENT AND PERFORMANCE EVALUATION

Pearson coefficient	0.382**
Standard error	0.000
Number	120

The analysis of data shows that Pearson correlation coefficient obtained equal to 0.382 with the obtained error is less than 0.01

Sig 0.000 < 0.01

Thus we can say with 99 percent certainty that there is some relationship between participatory management and performance evaluation. Therefore, H1 is confirmed and H0 is rejected with less than 0.01 error.

## **V. CONCLUSION**

The analysis of obtained averages proves that among variable averages, the variables of having clear goals and organizational structure are the highest (92.3 and 55.3) and variables of staff training and staff access to resources are the lowest variables among respondents. The analysis on the organizational factors, and the relationship of each of organizational factors' components (clear goals, organizational structures, reward system, staff training, performance evaluation and staff access to resources) with participatory management, indicates that there is a meaningful relationship between participatory management and organizational factors. So we should consider the following issues in order to strengthen this relationship:

1. Duties should be assigned according to talents and capabilities of employees, so that they can achieve organizational goals.
2. Close interaction within organizational frame work and also elimination of gaps between official and contractual employees, as well as employing the individuals who are skillful at mass communication, and serious persistence of aims, positively impact the development of trust and confidence of employees and the entire organization.
3. The spirit of criticism should be institutionalized in authorities, so that subordinates can easily and politely give comments. In this way the relationship between managers and employees becomes participatory.
4. Management can lead to growth and sublimity of the organization only when it is based on experience and background of individuals along with freedom of action, and assigning responsibilities with accurate supervision.
5. Showing their sense of participation and presenting their new ideas, the employees can improve the relationship between participatory management with organizational factors.
6. Arrangement of several sessions of debate, attending in classes with managers, exchange of information among employees to make them aware of organizational latest issues, all are necessary for an ideal management.

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