ALIZ BENKÓ[1]

The role of participation and involvement in organisational learning

Abstract

Objectives:
In my research, I investigate how and in what ways participation and involvement as a precondition for learning is present in Hungarian SMEs. Effective individual learning is a necessary precondition for effective cooperation both at the individual level and, by extension, at the organisational level. It is through collaborations that the organisational culture that leads to organisational learning and a learning organisation, which is the cornerstone of sustainable development, is created.

Methodology:
In my pilot research, I used a qualitative research method. I conducted five semi-structured management interviews in a medium-sized logistics company, which I then processed applying thematic coding. In this presentation, I explore how decision making is carried out at the company, what decisions are made in the company, how they are made and how employees are involved in the decision-making process.

Findings:
The intention of the CEO is that participation and involvement are consciously present at the company, but I found few real examples of this in the interviews. Important decisions are made by the CEO alone, such as the introduction of a performance appraisal system, but the HR department and members of the management are involved in working out the details. This practice is not conducive to employee participation and involvement in the decision-making process in the company, and thus does not promote a learning organisation culture.

Research/practical implications: My research confirmed that translating knowledge into practice cannot happen without the active participation of the individual. The involvement of the individual and the realisation of effective learning is the starting point for the development of organisational learning and a learning organisation.

Originality/value: Due to the qualitative exploratory nature and the small number of cases used in the pilot research, the results obtained are not statistically generalizable. My aim was to test my idea in practice on a theoretical level.

Keywords: organisational learning, sustainable development, knowledge sharing, participation, employee involvement

Introduction

The foundations of organisational learning were first formulated by Argyris and Schön. Based on their work, organisational learning is the ongoing process in the organisation by which members of the organisation continually monitor their activities and, if necessary, make changes to achieve their organisational goals.
Senge (Senge, 1998) contends that a learning organisation means a working community where individuals strive for constant improvement of their competencies, adopt new ways of thinking that are supported by management. This support manifests itself in a constant focus on ensuring that people are motivated to acquire the ability to learn together. Thus, an organisation is created that is able to achieve sustainable corporate development by enhancing its knowledge and constantly adapting to the environment in order to continuously evolve and thrive.
According to Argyris, organisational learning is none other than "a process of detecting and correcting error". He contends that the organisation learns through individuals. Our social activity is largely

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[1] PhD student, Doctoral School of Entrepreneurship and Business, Budapest Business School, University of Applied Sciences, e-mail address: benkoaliz@t-online.hu

influenced by the situation, the interaction between the participants in the situation and their relationship to the situation and the motivation for the activity (Zsolnai, 2013). This is important for the workplace environment because each workplace, with its own culture and rules, creates a workplace "space" in which employees have a framework to perform their work. It is within this framework that employees, as individuals, carry out the tasks assigned to them, and it is within this organisational framework that their social activity takes place in the course of their work. They interact with each other, the individual with the organisation and the organisation with the individual. From a learning perspective, the dynamic interaction between the individual and organisational particularities is called the learning environment at work (Csillag et al, 2019).

A technical prerequisite for creating a learning organisation is the development of a workplace culture in which people learn from each other. This is generally the case in large multinational companies with a large geographical coverage. In my research, I am interested in how this can begin to emerge for Hungarian SMEs where, by their very nature, large geographic reach is not present. In this environment, learning starts with the individual becoming involved in the processes through active attention and participation. In my research, therefore, I am seeking answers to the question of what decisions are made in the company, how they are made and in which decision-making processes employees are involved.

Theory

Learning environment, organisational and social elements of the learning environment

Each workplace creates its own workplace learning environment, characteristic only of it, through the development of its own workplace culture, policies and processes, and leadership by example. The employee who enters this workplace learning environment as an individual also has influence on this organisational environment, formulating or not formulating their feedback on the basis of this influence, and as a result of this dynamic interaction, we can look at the learning environment in terms of whether it is a conducive or a restrictive environment for learning for the individual (Fuller & Unwin, 2003, 2004, Unwin et al, 2010). Each organisation can be placed on a linear learning axis, with one end point being an environment that enhances learning and the other end point being one that puts a constraint on learning. At the point of constraint, employees are not involved in decision-making, and the environment is characterised by a lack of trust and isolation. From the perspective of the learning organisation, the ideal learning environment is one in which the management focuses on creating a work environment where learning is enhanced, where employees are involved in decision-making processes. The 3 main roles of involvement are for employees to be empowered and heard. This process also enables employee engagement to be strengthened.

Participation, involvement

The concepts of participation and involvement are used in a very wide range of ways in the literature and are interpreted accordingly. Therefore, in addition to generalisations, the literature emphasises the need to interpret the specific local features of each case, thus prioritising company case studies (Bácsi, 2017). The guiding principle for my research is the interpretation linked to the economic efficiency model, which argues that the creation of participation can lead to better decision-making mechanisms and greater employee engagement in organisations. Successful participation can be achieved if employees are seen as a strategic resource in the organisation. A number of empirical studies have demonstrated that such practices have contributed to increasing company competitiveness (Artur, 1994, Huselid, 1995, Guthrie, 2001, cited in Bácsi, 2017). Among the 4 approaches to participation (Kaufman and Taras, 2010), the creation of a unity of interests within the organisation is crucial for learning organisations. On this basis, participation aims to create a harmonious work environment in which employees do their best to achieve the company's success. This level can be achieved when organisational and employee goals are aligned and on the same level, there is cooperation instead of competition. This improves communication, increases influence on organisational decisions and improves employee engagement.

The role of participation and involvement in organisational learning

The literature confirms (Dobák, 2011) that the presence of participation and involvement facilitates learning, while its absence inhibits organisational learning. Definitions of organisational learning in the literature include statements about knowledge, definitions of the actions and behaviours of organisational members (e.g., cooperation, helpfulness, self-development) and statements about learning (Keith, 2006). At the next level, the learning organisation, we find a more specific formulation

of learning, whereby it is creative individual learning that generates one of the key components of the learning organisation, the learning process. In this learning process, the members of the organisation are present as a synthesising and catalysing medium (Keith, 2006).

Method

My research was carried out within the framework of research (20405-3/2018/FEKUTSTRAT) conducted by Sára Csillag and her colleagues at the Budapest University of Economics. The researchers analysed the workplace learning processes of small and medium-sized enterprises in Hungary. The university research investigates two main aspects in the emergence of workplace learning. One of them is the role of the owner/manager in the learning that takes place, and the role of the social network surrounding the enterprise in the creation of workplace learning.

In my research, I chose a qualitative research method. In the study of Csillag and colleagues, semi-structured interviews were conducted with the CEO and 4 senior managers of a medium-sized logistics company, selected from a sample taken from a previous representative large-sample quantitative study (Kása et al, 2017). The interviews were conducted online, audio-recorded and transcribed verbatim. The rationale for my choice of method was to understand the wider context of the environment in which learning takes place in the company and to examine the extent and levels of involvement in its local context, which could be used to infer the growth of the company's competitiveness.

The typed texts were anonymised and coded according to a holistic coding procedure (Csillag, 2019). First, I separated the texts according to which ones relate only to the topics of learning, development, participation and involvement. I treated this separately from the information otherwise still obtained during the interviews (company size, stages of company development, knowledge assets, personal career). I isolated the answers obtained under the headings of learning, development, participation and involvement, which were necessary to answer my research, by theme. Accordingly, I separated the answers on learning, development, participation and involvement.

Along this code tree, I also extracted the answers by topic so that they are transparent, and that the presence of irrelevant information does not distract attention and focus.

I explained the purpose of my research to the participants, how the data would be used, and how confidentiality and anonymity would be handled.

I raised open questions in the interview, and I strived not to influence the respondent with my questions in order to get an expected correct answer. For the purpose of my research topic, I grouped my questions around the following themes:

My questions were built around the theme of participation and involvement. First of all, I wanted to find out what examples my interviewee could give of how decisions on important issues are made in the company. To what extent is cooperation planned and to what extent is it contingent. What is the experience with employee involvement and are there any positive/negative examples of this in the company. I wanted to find out whether there is a customary decision-making process at the company, what channels are available for employees to express their opinions.

Since in my research I have referred to the fact that the literature on participation and involvement draws attention to the need for contextual analysis, a brief history of the selected company follows.

The company's predecessor was also involved in warehousing and logistics before the change of regime. As part of an employee privatisation scheme, it was employee-owned until 2017, when it was bought back from the then retired employees by a financial investor who arrived in 2017. This is the beginning of a distinct **period of development** in the company's history, as the mindset of the financial investor is completely new, as the director put it: "*The change in '17 was typically a change in mindset, because the new owner, as a financial investor, wants to know exactly what the return is on each asset. To do this, a lot of these parallel operations that had evolved over many decades were chopped off.*"

In the present market conditions, the distinctive feature of the company being studied is its ability to provide warehousing and logistics services for products requiring specific unique logistics needs, while meeting the customer's individual requirements. This includes everything from telephony to heavy machinery handling and logistics for exhibition equipment. Since 2019, they have been consciously carrying out organisational development to achieve their goal of becoming a digital logistics service provider, thus differentiating themselves from their competitors.

Results

The role of the manager in participation and involvement
Just as the key role and level of commitment of the leader to the learning processes of the company emerged as a published result in the academic research (Csillag et al, 2020), I found the same pattern in my pilot research in terms of participation and involvement. Here, it was mainly the introduction of the performance appraisal system that triggered a major change, as it was here that behavioural expectations were formulated that would facilitate involvement and participation. The positive impact of the programme was clear from the feedback provided by the CEO.
"this kind of transformation, let's say change, ...they start to own up, recognise and take responsibility for their own decisions." (C5/1)
He described his commitment to involvement through a personal example from the past, where he experienced that empowerment and trust led to participation and involvement, which was a surprise to him, gave him a sense of achievement and motivated his staff.
*... "and **it was surprising to me how much they opened up to the task** and because of the **incentive and they were very good at selling what they had bought."** (C5/1)
So I saw specific examples of full engagement and implementation in terms of participation and involvement in the CEO. The picture is slightly more nuanced for other members of the management team, there is a willingness to create participation and involvement, but practical examples of this actually happening are not yet widespread.
"I've always been very keen to make sure that involvement works, because I believe that a project can be successful if you involve as many people as possible, then it absolutely works." (C5/4)
*"...I try to discuss a lot with colleagues about **my own ideas and thoughts**, what they see, what pitfalls, what advantages could be gained by introducing it....."* (C5/4)
The above quotes show that they have 'learned' that this is what needs to be done, but as long as the wording is that it 'should' happen, the intention is there, but the result will not be participation and involvement.
In several cases, I have seen that achieving participation and involvement is perceived as a management task, they think they are doing it, but they are not actually doing it in practice.
*"you do need to ask colleagues, **probe, gather** information......."*
*"...they should give **information on a daily basis, when a decision needs to be made, there should be a senior manager present** who can make a decision on a daily basis right away....."* (C5/4)
And I found someone who used this example for involvement:
"I went down to the warehouse, I got a team together, and well, I had to <u>do a little bit of wrangling</u> and discuss <u>what the deficiencies were</u>, and I visit a number of areas and I often <u>ask for their opinions, and they're very willing to come forward</u> and I believe in this."...... (C5/4)

I consider it to be supportive of organisational learning when knowledge can be translated into practice, in this case when participation and involvement takes place in practice. We see good practices in this regard in the organisation, but only in relation to the CEO and the senior management team. I did not find good practices on participation and involvement between senior management and their subordinates.

Presentation of forward-looking elements of the learning environment
Learning and development are one of the values of the performance appraisal system implemented at the company, which demonstrates the company's commitment to learning. The expectations from employees encompass the need to strive for new knowledge, to want to be better from day to day, to understand the interrelationships between different areas. To develop the skills needed to achieve these, where necessary, the manager and the employee draw up individual development plans in performance appraisal meetings and monitor their implementation.
I have learned a lot from my colleagues and immediate superiors, and it's not just about dealing with people and communication, it's also about learning the profession itself, or mastering it. And this, like many other areas of life, is a never-ending learning process. So you never get to the end of this, I think you can never sit back, and anyone who sits back can make a big mistake, because things can slip by. So if I can put it in such a very clichéd way, life has taught me this, and it took a certain amount of self-discipline to polish certain things, certain corners. (C/2)

The knowledge acquired is assessed, and out of the 5 values set, employees can nominate 1 employee who they think is the best example in at least 2 values simultaneously. The nominee with the most votes will receive a public award at the annual review conference.

"*We also gave our employees a nice commemorative package and we gave our employees a reward and it motivates them and it's very, very nice recognition, I think. And we want to do this every year."* (C/2)

In order to acquire qualifications, the workplace organises both on-the-job and off-the-job training courses on an ongoing basis. The diversity of training courses shows the company's commitment to developing all professional, business and interpersonal skills.
- Forklift driver course (for warehouse workers)
- Excel course (for administrators)
- Power Pivot online training (for controller)
- Invoicing administrator training (for finance staff)
- Equal Opportunities Officer Training (for HR staff)
- Finance workshop (for the CFO)
- Business Communication, NoPara mini trainings (for office workers)
- First aid at work training
- Defibrillator training

Training for managers:
- Delegation training
- What is good leadership training
- Proactivity training
- Cooperation training

Among the values articulated is innovation which is vital for a forward-looking learning environment. This is encouraged through the placement of an idea box, with specific management support.
"I think that you can make your colleagues aware of the untapped opportunities in this profession, of the innovations that are interesting, and with this kind of interest you can create an openness in them, which they can use to create their own (so, I have a colleague who enrolled in college on his own, he has the patience for it, he's started it by distance learning, for example). Some people also follow these professional forums. We also discuss things that might be of interest to them, and those who are open to it start to take it up themselves." (C/3)

Involving management practices
They operate multiple communication channels. There are circulars in which policies and instructions from the director are shared. This is a form of one-way communication. In the weekly meeting system, the manager organises meetings within management, involving HR, where they review current tasks and any difficulties. Meetings with the foremen are also held on a weekly basis and can be organised more frequently on an ad hoc basis as required. The quarterly performance review meetings also provide an opportunity for two-way communication. Once a year the CEO holds an annual review. The agendas for the annual review have not changed for several years, with all areas of expertise being presented by the CEO (HR, logistics). The externalities of the annual review conference do not reflect the commitment of the CEO to increase involvement (i.e. HR would be presented by the HR manager, logistics by the logistics manager).
Based on the above, we can say that involvement in decision-making is understood as creating a so-called "culture of conversation" (...Csillag S). It is seen as an organisational development task for managers to ensure that two-way feedback between manager and subordinate takes place during performance reviews, along the lines of the objectives set there. However, this cannot be expected to create trust in a long-established corporate culture where it has been absent but will now be created through the performance appraisal discussion.
At the senior management level, the intention to increase the level of involvement has been stated, which is a very important step, but since the CEO himself does not consider HR as part of management (who is currently a female HR manager) when he talks about the male-female employee ratio on another topic, there is still a long way to go to achieve real involvement in this culture.
"*The male-female ratio is above average for the profession, but much to my regret top management does not include any women, everywhere else there are women as forepersons, warehouse managers, they are at all levels...." (C/1)*

Institutions, scope and extent of participation

In the company being studied, institutions of employee participation provide employees with opportunities to have a say in their work processes or in the design of their working conditions and to express their ideas (Bácsi, 2017). This form of direct participation is seen as a leadership tool in the company under study and the performance appraisal meetings are regarded as an opportunity for employee participation.

"there is an idea box, and I don't know, they appreciate ideas and stuff, but I'm telling you, telling employees to come up with ideas and then saying, listen, you're stupid because you understand only part of it, you shouldn't tell them that because it's totally demotivating afterwards. Then it's better not to ask them at all or they shouldn't be asked through those means and in that context. So you should not expect them to come up with ideas, but to be able to voice their opinion, and then there will be someone to listen to it and take it further in an informed way. But anyway, the direction here in terms of organisational development is that as far as possible all ideas should come to a level where we can consider them in a meaningful way, because a lot of times the warehouse worker would say something to the shift supervisor and he would sweep it off the table saying that this is not the way it is, the boss said otherwise. Now they have the decision-making competence, it's much more difficult not to say that the boss didn't say this, but to say listen, I'll escalate it to the next level, so we can discuss it there and decide whether it makes sense or not, whether it's relevant or not. So there is such an intention and I think it's good, but I'm just saying that we have to give it a limited amount of space, because then the great ideas will come."

In terms of the extent of participation, there are also examples in daily practice where workers have an indirect say in decisions at company level through forepersons.

"...the direction is set here, the ideas, and then it is finalised in a joint forum with the involvement of middle management, if you like. But what the direction and the goal are, is decided between the three of them there, and obviously with the owners, and then how we will achieve this, how we will implement it, is put together through joint planning and joint strategic consultation." (C/3)

The thoughts of the CEO on this topic:

".... there is that level where they have to decide, so we unload a truck, what's the order, where do we put it, etc., it's their decision. But in order, say, for a logistics system to work well, they must be involved at the level of opinion, but they must not be the deciding factor, because not everyone can think in context, not everyone can see beyond their own desk, and we are talking about logistics tasks here....."

It is clear from the above that the CEO considers participation/involvement as a management motivation tool, in practice involvement is implemented indirectly by mid-level managers and in terms of its extent it is more of a means of providing access to information to the employee.

In terms of the degree of participation/involvement, the two extremes are that the employee has a direct say in management decisions and the other extreme is that involvement is simply access to information for the employee. At the company in the case study, we start from the latter endpoint and find the following empowerments (Bácsi, 2017).

- information forums

Staff are informed verbally or in writing of the content of decisions and the reasons for them. The company prefers verbal exchanges of information, so that in principle there is a possibility for feedback from employees.

"Before this quarterly evaluation was prepared, where not only their own work is discussed, but they can also voice their opinion on how they see things, be that in terms of the progress of the company, their own area, or their line manager. There are status meetings with the shift managers every day, and in addition to the daily ad-hoc issues, we also discuss tasks that are anticipated in the future, so if we involve them and discuss these together, they can tell us what they see in this regard, and together we can discuss what the solution could be, or what other proposals we should make to move forward, so these channels are there too." Krisztián

- opinion forums

Management retains the power to make decisions, but employees are also consulted and listened to, so in principle they have the opportunity to express their views. This is implemented at the company under review through an 'open door' culture and quarterly appraisal discussions.

"I have my door closed now, but normally it's open, you know, the secretariat is here, colleagues come in, say hello. If they've come from far away, from another location, they stay a little longer, if not they just say hello, but otherwise they see me because I go to different sites, let's say that every 2-3 weeks definitely, which means the company manager is <u>not there only when there is a problem, but also when he's just checking on them to see how they're doing on a completely normal day and then he is also</u>

available for conversation, approachable and this doesn't only apply to me as a manager, but to all the other managers as well. So you have to appreciate people as people, I think......"
I found no examples of a consultation and co-decision forum during the interviews.

The relationship of vocalisation and silence with participation
How much say employees have, whether they dare and want to have a say in decisions depends on a number of factors, but the literature suggests that the employer's attitude is a key factor. If silence is prevalent, the employee does not have the freedom to express his or her opinion and, as a consequence, management does not have enough information to make decisions. On this issue, it is important to look back at the history of the company, which includes a long culture of one-man decision-making, the presence of many long-time employees in the current company, which goes hand in hand with 'keeping quiet'. For them, keeping quiet was natural. They made great progress in organisational development on this issue by achieving employee engagement, which is now in the form of automatic and continuous brainstorming.
"So it's important that they get feedback on their experience of it, on their practical experience, whether it's their idea or not their idea, in any case. I mean, on some level I do try to allow my colleagues some space and say, do it, show us and then let's talk about it. If it doesn't turn out well, we discuss why it didn't go well. If it turns out well, you get all the credit for it." (C/3)
Successful organisations are those that involve, empower and listen. This allows the employee to be a source of knowledge. Participation creates a sense of belonging in the employee which is motivating.
"the direction is set here, the vision, and then it is finalised in a joint forum with the involvement of mid-level management, if you like. But what the direction and the goal are, is decided between the three of them there, and obviously with the owners, and then how we will achieve this, how we will implement it, is put together through joint planning and joint strategic consultation." (C/3)

The relationship between employee autonomy and participation

According to the literature, the level of employee involvement in decisions depends on 4 factors (Bácsi, 2017).
- **Power of action**: in all aspects of work, it gives employees the opportunity to achieve greater autonomy and control over their work.

In the company under review, results tracking software is used to achieve continuous control of work up to middle management level. By involving employees in the process of making weekly commitments to achieve corporate goals, commitments can be tracked by managers to achieve the corporate goal and this information shared among employees also allows for active two-way feedback.
"This Objective Key Results, it's an English acronym, it's a, well, I would say it's a mindset. Think of it like a GPS. So it's a way of thinking and a structured agenda to achieve the goals we have set, a GPS that will guide us through the process of achieving our goals. The way to think of it is that there is a software where essentially the commitment of each manager is recorded, aligned to the goals. So we have set these targets at management level and then we start to slice and dice these goals to determine what it takes to achieve them. What are the tasks that need to be done? Who needs to do these tasks?" Pamucsi
"..... each week, where we look at the extent to which the commitment made by a particular manager has been achieved, and if not, why it has not been achieved, for example because the goal was wrong or there were some complicating factors...." (C/4)
- Employees need the right information to make the right decisions. In the company under review, this is provided, albeit only through a narrow channel. Given that we are not talking about a knowledge-intensive company, a relatively small number of information channels that work effectively may be sufficient to achieve effective participation.
- In order to achieve organisational goals, an appropriate reward system needs to be operated uniformly throughout the company.

This is being implemented at the company under review now. Currently, there is a monthly moving wage which is not linked to performance. A bonus system based on objective indicators will be introduced in 2022.
"Now, this new objective bonus system that I wrote about among the tasks planned for 2021, when I wrote this, it was indeed planned. However, 1-2 weeks ago I consulted with the warehouse operations manager and they said that they would like for it to be pushed out to 2022. We have started working on this, but we will not be able to implement it this year. That being said, we have a monthly moving wage table that will allow our employees to be eligible for monthly moving wages. We have bonuses, which are based on facts and figures, but we have pushed this new objective bonus system to 2022." (C/2)

- Knowledge of the work, the performance of work system and the process in the company is required. This requirement seems to be met in the company under investigation, based on the above.

In summary, the organisational development currently in place lays the foundations for employee involvement, the implementation of which is then up to the employee. Building trust is also necessary to foster employee engagement.

Conclusions

In line with the literature, my own research has confirmed that when the management decides to put participation and involvement into practice, a process, a learning process is initiated in the organisation, whereby employee engagement increases by giving them a say in decisions.

In my research, I divided the patterns of participation and involvement into two groups within the management group: one is the responses from the CEO and the other group is the responses from the senior management team. The intention of the CEO is that participation and involvement are consciously present, and I found practical examples of this being achieved in the other interviews. I detected a conscious shift towards the development of managerial feedback practices, where the employee and their manager are presented with an opportunity to discuss performance in a pre-agreed format and structure. This discussion also provides an opportunity to give continuous feedback to each other, which is a prerequisite for an effective learning process. This practice creates an equal partnership between the CEO and the senior managers, which is a prerequisite for participation and involvement.

With regard to the senior management team, the manager consciously thinks of engaging the staff in decisions. However, when I asked for a list of specific examples, it became clear that in their understanding, involvement means sharing your own idea with your colleagues and gathering employee feedback on your idea. In this case, involvement and participation are not put into practice, the organisation is at the beginning of its journey of building a workplace environment that supports learning.

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