

Significance Of Workplace Democracy in Generating Psychological

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Abstract—This paper expects to investigate the part of workplace democracy in generating psychological capital, which is an inevitable paradigm for the contemporary organizations. The examination additionally gives a calculated system which implies the nexus between the two builds. The current examination adds to the writing by flagging the desperate requirement for building majority rule working environments and offers huge bits of knowledge for the administration and human asset experts to develop working environment popular government to construct their employees' psychological strengths, which in turn will result in enhanced organizational outcomes.

The current investigation brings consideration toward the need for a move in the generic organizational strategies and instigates organizations to nurture a democratic setup for developing employees' psychological capital.

Index Terms—Human resource management, Psychological Capital, Positive psychology, Inter-coder reliability, Workplace democracy.

I. INTRODUCTION

Customarily, associations accentuated on producing "financial capital" and created innovation, costly foundation and huge scope activities for their prosperity and endurance. Associations pushed on making "human resources", for example building representatives' information, aptitudes and capacities and "social capital", which spoke to assets of trust, connections, organizations and companions and buddies and adjusted them to the hierarchical methodologies to improve authoritative execution. Notwithstanding, unending headways and globalization required associations to create more unpretentious and elusive assets for keeping up their serious edge. Twenty-first century associations are confronting extraordinary compass off changes, and thus, they have to reconsider their administrative

systems and grasp new administration methods of reasoning. Given that representatives spend an enormous level of life at work environment, associations need to comprehend the worries of their workers. Gonzalez (1961) contended that occupation plan and perpetual execution desires lead to high uneasiness and disappointment among workers. This thus prompts worker distance, freak practices and backward responses (Sievers, 1994). Hence, contemporary associations need to fabricate working environments which encourage inventive outlooks among representatives and make their positions prospering, bona fide and important (Keyes, 2010; Seligman, 2004; Seligman et al., 2004). Innovation, globalization and improved aptitudes and abilities offer laborers occasions to partake in decision making and completely experience working environment majority rules system. Additionally, it is proverbial that as the work turns out to be more specialized and laborers have more admittance to data then vote based system at working environment would develop.

However, the paradigm of "workplace democracy" is yet a faint whisper among contemporary scholars in the social and management discourse. No doubt, the examples and majority of empirical research studies related to workplace democracy has stressed on worker participation, which include political understanding, solidarity and perceived and real power (Haque, 2000). Also, it has been recently suggested that in highly technologically advanced workplaces, worker participatory management is a standard practice and is even on the rise. This ultimately leads to enhanced productivity, efficiency and effectiveness of employees, as well as of organizations. Yet, to date, the question persists as to how the contemporary management scholars can establish and bolster human resource development (HRD) practitioners to practically amalgamate the

goals of democracy in the workplace to build psychological underpinnings.

Till date, the HRD experts are blankness for the use of working environment majority rule government in encouraging mental quality of representatives. Tragically, generalizability is restricted since there is shortage of observational confirmations for brain science-based applications. A cognizant endeavor has been made to hypothetically sum up the mental underpinnings of working environment majority rules system, which expands hierarchical adequacy and most essentially exudes mental directions regarding "psychological capital (PSYCAP)". In essence, helping employees to realize their personal strengths and perceive their work meaningful could have a positive impact on employees' psychological strengths. A thoughtful discourse has been fortified in democratic workplaces enable employees to engage in a dynamic process of expanding the present study which aims to underpin the significance of democratic workplaces and asserts that capabilities of their own self, which consequently facilitate employees' satisfaction as well as enhance their performances. The present study advocates that organizations need to restructure their work arenas as "democratic workplaces", which won't just animate representatives' contribution yet additionally adjust worker's very own qualities to the authoritative objectives. On the other hand, these individual qualities can be utilized by workers to encounter a condition of greatness (Park and Peterson, 2008). In particular, when representatives see vote based system at work, they associate with higher assets or individual qualities and change themselves into legitimate people. Consequently, it has been recommended that making popularity based working environments advances objective direction and personality, however would likewise upgrade representatives' confidence and self-esteem, while encountering their work massively important (Hatcher, 2007). Steady with this thinking, the current investigation contends that work environment majority rules system encourages the age of mental capital among representatives and offers critical down-to-earth suggestions for associations. As making vote based working environments would produce importance, self-assurance and ability among representatives, which thus would upgrade mental capital (Thomas and Velthouse, 1990).

Most importantly, this study attempts to delve into the epistemology of "workplace democracy", to explicate how the concept is drawn upon and could be used by the HR practitioners for developing individual's psychological strengths at workplace. The literature on workplace democracy signifies that the management structure greatly influences economic performances along with enhanced productivity to augment innovation and social capital.

II. LITERATURE REVIEW

2.1 Workplace democracy

The term "democracy" originated from the Greek word "democratic", where "demo" means "people" and "cretic" refers to "rule of the people" (Powley et al., 2004). Workplace democracy refers to the application of democratic practices such as voting, debate, structuring, adversarial process and systems of appeal to the workplace (Petersson and Späng, 2005). The notion of workplace democracy derives its roots from the democratic thoughts of Jean-Jacques Rousseau and John Stuart Mill (Skelley, 1989), whereas practical implementations of workplace democracy originated from Britain and France, starting in the nineteenth century.

Workplace democracy is a multi-dimensional concept with its foundation in economics, politics, issues and are identified by common themes and concepts such as industrial democracy, organizational democracy, economic democracy, participatory democracy, worker participation, unionization, work councils and worker control. Workplace democracy describes, "a variety of structural arrangements which link organizational decision-making to the interests and influence of employees at various levels" (Petersson, 2006). It stretches from participative management and employee involvement to industrial democracy and self-management (Crouch and Heller, 1983) and incorporates characteristics of equality, decision-making and participation. Harrison and Freeman (2004) stated that: any action, structure, or process that increases the power of a broader group of people to influence the decisions and activities of an organization can be considered a move towards democracy (Hatcher, 2007).

Workplace democracy has been accounted for to envelop various ideas, for example, participative administration, representative contribution, worker

strengthening and modern majority rule government. Despite the fact that the writing neglects to give an away from on the exact importance of these terms. The first term instituted for working environment popular government was "mechanical majority rules system" and both the terms have been utilized reciprocally. The hierarchical model speaks to mechanical majority rule government in type of boards of trustees and consultative bodies, which encourage correspondence between the executives, association and staff and dynamic which is one-sided and definitive. The dynamic is additionally monetary regarding assembling and mechanization; lay-off and faculty choices depend on enrollment, determination and complaint taking care of. In particular, support is through worker possession, in light of shareholdings of the organization by the representatives, for example, organization share alternative plans (CSOPs), undertaking the executives motivating forces (EMIs), share impetus plans (SIPs) and worker stock proprietorship plans (ESOPs).

When employees have input, "cultural tension" can arise within the hierarchy or ranks. Employees may find that their opinions conflict on various topics and may go against a culture where teamwork and collaboration are emphasized. This flips the negative side of workplace democracy that more democratic the workplace, the more difficult it is to get employees and managers or leaders to agree on what to do (Kokemuller, 2017). With the presence of democracy at work, organizations can also experience "top-down fallout".

Giving employees a strong voice, may risk taking decisions out of the hands of those that are most qualified. Coutinho (2016) concluded from his study that workplace democracy raises expectations for certain groups of workers/employees, leading to well-being harms when expectations are not met. To emphasize, employees may abuse their democratic voice and align against the influence of management and create a "virtual mutiny" (Kokemuller, 2017).

In extension to the negative reflection of workplace democracy, it is also bolstered in the literature that whilst profit-sharing schemes under the concept of workplace democracy improves efficiency, productivity and performance, the concept also opens to manipulation of "freeloaders". This is because profit-sharing rewards group performance and not any individual employees. That is, employee who may not

be contributing is rewarded similarly to those who are providing valid contribution. On the other side, with weak incentives to individual or group performance open employees to "manipulation", and showing no interest in the organization as well as in their work; which may further cause team or group motivational issues and injustice (Stack, 2000). Based on the above insight, this study tries to ameliorate the negative reflections of workplace democracy and aims to offer democratic workplace in true sense along with positive psychological impacts and certainly leads to innovation, performance and morale.

2.2. Psychological capital

Customarily, specialists have zeroed in on the negative parts of representative conduct. Such "negative" approaches remember a concentration for counterproductive components, for example, stress, incapable initiative, clash, dishonest conduct and useless mentalities and practices which have been broadly recorded and investigated. Luthans (2002) contended that the field of authoritative conduct has given generally more consideration to administrative and worker brokenness and issues in the working environment, examining "what turned out badly" rather than investigating "what went right". This brought about the absence of proactive systems supporting representatives' boss exhibition, nonstop turn of events and learning, and factors answerable for workers' variation. Avolio and Luthans (2006) and Luthans et al. (2006, 2007a, 2007b) brought a change in outlook and a more certain methodology in understanding representatives conduct. This prompts a positive spotlight on authoritative conduct and has named as sure hierarchical conduct (POB).

Luthans (2002) characterized POB as, "the investigation of decidedly situated HR qualities and mental limits that can be estimated, created and viably oversaw for execution in contemporary work environments". Strümpfer (2005) and Roberts (2006) additionally upheld a move toward a positive methodology in associations, alluding to "qualities point of view", which may create unmistakable esteem and add to a superior comprehension of ideal human execution in circumstances that present upsetting difficulties. Luthans et al. (2007a, 2007b), Luthans and Youssef (2004), Luthans et al. (2004) and Luthans (2002) defined psychological capital as, "an

individual's positive psychological state of development that is characterized by:

Hope: persevering toward goals, and when necessary, redirecting paths to goals to succeed.

Self-efficacy: having confidence to take on and put in the necessary effort to succeed at challenging tasks.

Resilience: when faced with problems and adversity, sustaining and bouncing back and even beyond to attain success.

Optimism: making a positive attribution about succeeding now and in the future." Specifically, psychological capital represents positive psychological resources possessed by individuals, which involves state-like, basic, psychological force including self-efficacy, hope, optimism, resiliency and tenacity, rather than trait-like personality characteristics (such as introvert or extrovert) that are relatively stable. Psychological capital emphasizes "individual strength" and "enthusiasm" and reflects the merits rather than weaknesses of employees. Psychological capital covers all behaviors that can bring positive results for individuals and organizations, such as organizational commitment, loyalty, integrity, organizational citizenship behavior, psychological contract, job involvement and organizational identity.

Extant literature shows that there is a significant linkage between employee performance and positive organizational behavior. Avey et al. (2011) found a significantly negative relationship between psychological capital and undesirable employee attitudes like cynicism, turnover intentions, job stress and anxiety, as well as undesirable employee behaviors like workplace deviance. Newman et al. (2014) used both cross-sectional data and longitudinal studies and confirmed that psychological capital of employees have positive impact on various areas of business. Peterson et al. (2011) found that psychological capital of employees was positively related to both supervisor-rated performance and their financial performance based on the individual sales figures. Also, psychological capital has been viewed as a fundamental basis for effective management of HRS, while complimenting existing research in both human and social capital (Zhu et al., 2011). Woolf (2004) indicated that psychological capital can contribute to create a situation that promotes quality of

work life and can create a personal vision for employees. Prominently, when organizations create opportunities for satisfying the needs of survival, belonging and knowledge of employees, this subsequently improves their performance at workplace (Mortazavi et al., 2012).

III. OBJECTIVES

Drawing on the aforementioned literature and the existent critical gap in the management discourse, the present study is guided by the following objectives:

Objective 1 is to identify the antecedent factors to workplace democracy.

Objective 2 is to identify the range of HR practices that could influence workplace democracy.

Objective 3 is to identify the underlying mechanism of how workplace democracy can be applied to develop employees' psychological capital and enhance organizational outcomes.

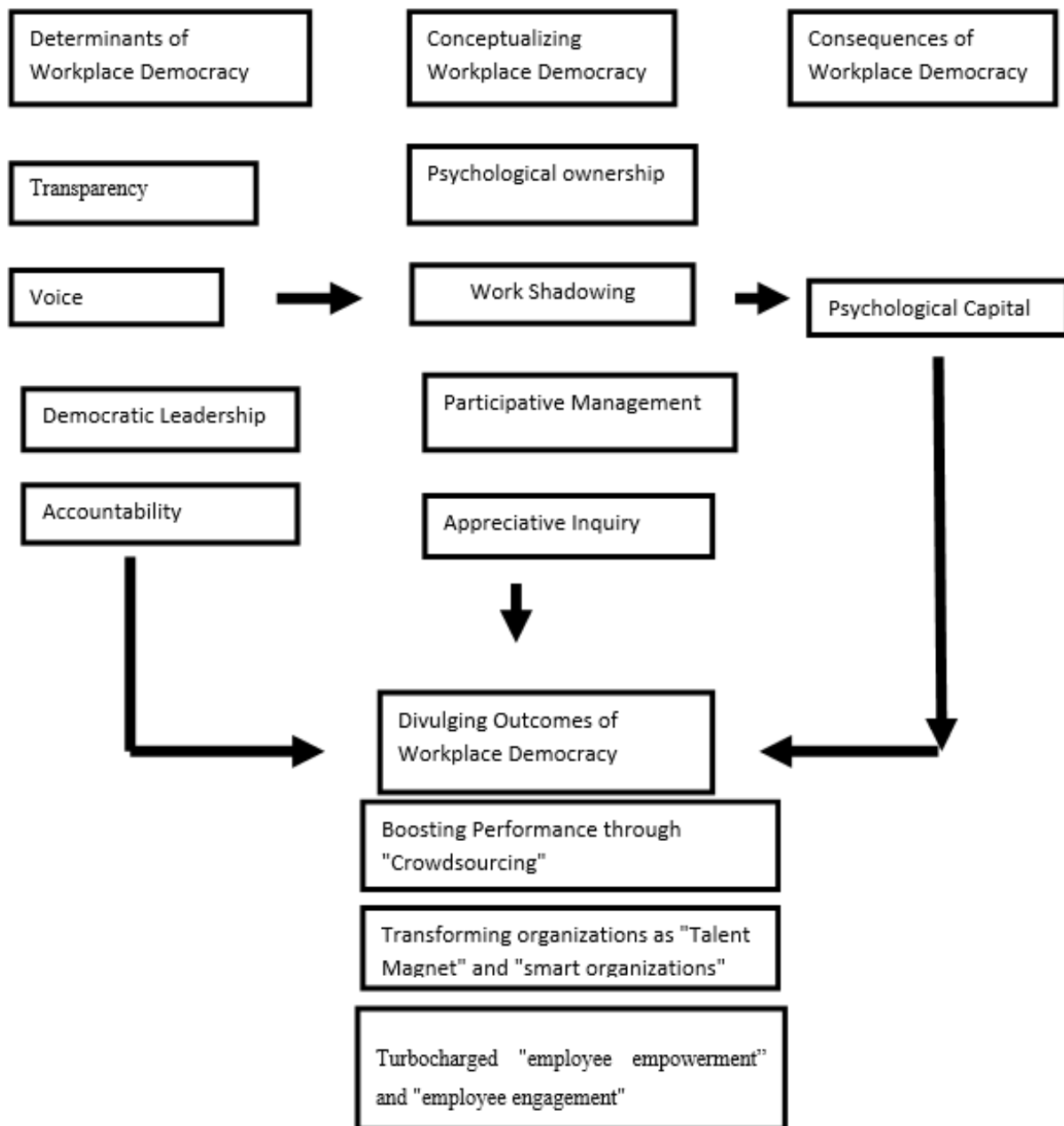
Figure 1 represents the theoretical framework guiding the present study. The model depicts the role of positive HR practices in cultivating workplace democracy, which further lead to the development of psychological capital. The conceptual framework shows the role of higher-order HR constructs in generation of psychological capital and indicates that each of the preceding components contributes to individual growth, which is associated with improved organizational performance. The proposed model can lead to the development of a novel organizational theory, emphasizing the significance of both employee's personal growth and enhanced organizational effectiveness (Dachler and Wilpert, 1978; Strauss, 1998). Figure 1 illustrates the conceptual framework delineating the essence of workplace democracy and psychological capital as salient paradigms in the workplace.

The proposed model represents "themes" (Figure 2) that aligns with the individual's strengths and competencies. The authors put forth a significant approach for organizational practitioners to create democratic workplaces for fostering employees' psychological strengths. The themes based on the proposed model aims to channelize the culture of workplace democracy within organizations. In essence, Theme 1 represents the determinants of workplace democracy, emphasizing that organization

fostering transparency, voice, democratic leadership and accountability can prove to be a conduit to Theme-2. That is, conceptualizing workplace democracy (psychological ownership, work shadowing, participative management and appreciative inquiry). The authors contend that based

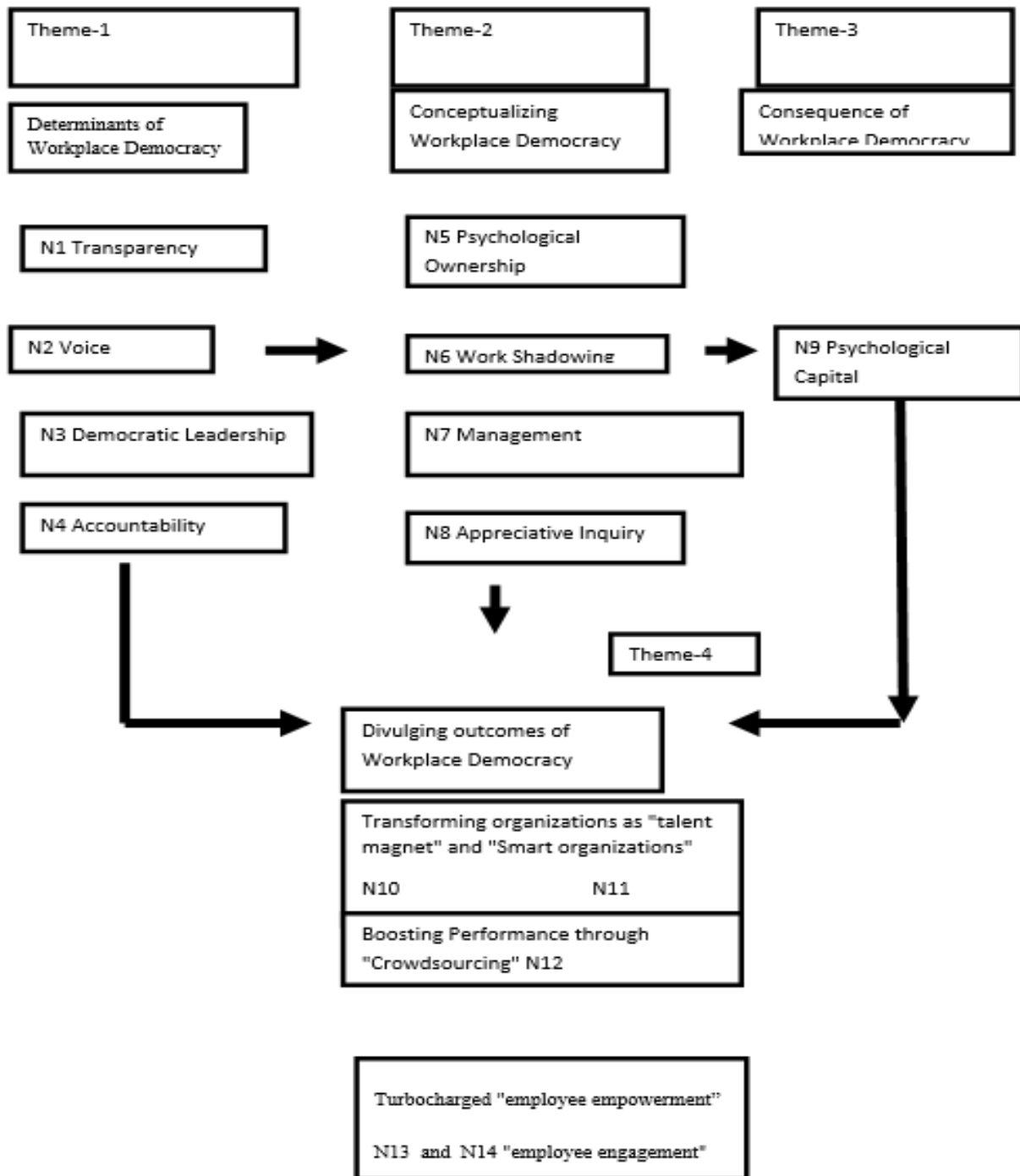
on Themes 1 and 2, the result outcome will lead to Theme 3, generating psychological capital and finally leading to the most promulgating outcome as Theme 4 (transforming organizations as talent magnets and smart organizations, crowdsourcing, employee empowerment and engagement).

Figure 1. Conceptual framework



Note: Integrating workplace democracy and psychological capital

Figure 2. Nodes for coding and integrating workplace democracy and psychological Capital.



Thus, psychological capital outlines an employee's "psychological capacity of creating positive and unique". It can be a positive approach for understanding human potential in the workplace. Generating psychological capital through workplace

democracy can be a meaningful and justifiable investment in terms of:

Hope: According to Snyder et al. (1991), hope is "a positive motivational state that is based on an interactively derived sense of successful agency (goal-

directed energy) and pathways (planning to meet goals)". Thus, hope is developed in two important ways: first, through people's sense of agency or willpower and second, through the development of pathways and way power that enable individuals to proactively design alternate pathways to achieve their goals when they face obstacles. In fact, an integral part of developing and managing hope is through effective goal-setting, which is specific, measurable and challenging, yet realistic and achievable and help develop a sense of agency for accomplishing those goals (Nelson and Cooper, 2007).

Self-efficacy: It can be defined as, "an individual's conviction about his or her abilities to mobilize motivation, cognitive resources, and courses of action necessary to successfully execute a specific task within a given context" (Stajkovic and Luthans, 1998). The capacities of symbolizing, forethought, observation, self-regulation and self-reflection allow confident people to purposefully, a genetically and proactively set challenging goals, regulate their motivation and actions and manage and control their learning processes in anticipation of future success (Bandura and Locke, Resilience: It has been defined as, "the positive psychological capacity to rebound, to 'bounce back' from adversity, uncertainty, conflict, failure or even positive change, progress and increased responsibility" (Luthans, 2002). Most importantly, resilience does not imply a fortunate, risk-free life, but rather the effective management of scarce resources toward a more fortunate life despite risks and adversities (Nelson and Cooper, 2007). Hence, building psychological strength.

Optimism: It is a responsible and adaptive form of optimism. It carefully considers and learns from both positive and negative events, as well as their causes and consequences, before taking credit for successes or distancing and externalizing failures (Nelson and Cooper, 2007).

IV. CONCLUSION

The key objective of this study is to investigate the determinants of workplace democracy, while generating and using the personal resources of employees and making their work-life more meaningful and worthwhile. This paper represents a novel development in the management literature by presenting a coherent model for the promotion of

employee's psychological strengths, which aid them to go beyond the accumulation of financial capital.

Prominently, this study makes useful contribution by first, asserting the creation of democratic workplaces which can lay the foundation of effective decision-making, improved planning and forecasting, clear vision, increased health and productivity and more confidence through learning and adaptations. Second, the study advocates that organizations can add future value to employees' performance by leveraging positive human competence to compete effectively in the marketplace.

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