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# Five roles for participation to improve performance in social economy organisations

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# Five roles for participation to improve performance in social economy organisations<sup>1</sup>

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In our previous blog-post we talked about the FAS Project, a nationwide training-action project of the confederation representing social welfare organisations in Portugal that has been going on since 2008, in partnership with the Catholic University of Portugal in Porto, involving 219 organisations up to now.

In that blog-post we stressed the fact that the diagnostics of the training needs in each organisation participating in the project have been done with as much participation as possible by all those working in the organisation. The impacts of the project in terms of improving the performance of these organisations are due not only to the training itself, but also to the fact that participation has helped to trigger processes of al change engaging different stakeholders who should have a say in the life of these organisations.

From this and other projects in the Portuguese social economy we have learned that participatory methods can play, at least, five roles in improving the performance of social economy organisations.

One is what we call a “**break out role**”. By this we mean the situations where the set up of a participatory process helps to break some vicious circles that are detrimental to the performance of the organisation. One relatively frequent example is when the person or the group of persons at the top level of the organisation are in this position for a long time and the rest of the personnel working in the organisation and other stakeholders will have a hard time if they want to remove them, or change their ideas about how to run the organisation. Because of this inertia at the top level of the organisation, workers and other stakeholders don’t have a positive incentive to participate with their ideas to improve the management of the organisation and, since they don’t participate, that inertia is reinforced. Setting up a participatory process in an organisation like this with the support of some “outsiders” who have the legitimacy to do so can be a way to break out the vicious circles that are preventing new ideas to come in for improving the performance of the organisation. It is possible that a new virtuous circle starts when it becomes clear that it is good to take in the contributions from everybody working in the organisation and from other stakeholders.

The other role of participation is what we call its “**creative role**”. When a participatory process is set up there is an opportunity for everybody in the organisation to express ideas about what is right and what wrong in the way the organisation is managed and

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<sup>1</sup> Blog-post published in European Social Innovation Research, on May 1, 2013.

about what can be done to improve performance. The result is that new ideas may come in to innovate in the processes or in the products delivered by the organisation.

The third role that participation can play is what we call a “**normative role**”. Organisations have to cope everyday with cooperation, coordination and conflict resolution problems. The better they do this, the more effective and efficient they are in fulfilling their mission. In the FAS Project the problems that have been identified as the most in need to be solved to improve the performance of the organisations are always related to insufficiencies in the mechanisms of cooperation, coordination and conflict resolution. These insufficiencies are caused by lack of participatory methods in the management of the organisation. So one important role participation can play is to contribute to the emergence of new norms to improve cooperation, coordination and conflict resolution. In the establishment of these norms can have a say not only those at the top level of the organisation, but also everybody working in the organisation.

Participation does not always happen in a very smooth way. Giving the right to speech to everybody working in an organisation probably will end up with different people evaluating in different ways the same objects, or the same actions that are under scrutiny. This is what we call the “**interpretative role**” of participation. The public expression of these different values different people give to the same objects or actions can happen in a well ordered way, but it can also degenerate in a turbulent process. So participation can and should be an opportunity for democratic learning, that is, to learn how to live in a world where people’s ideas are different, everybody has the right to express their own views, but we all have to come up to an arrangement where those differences can be accommodated in a peaceful way.

Finally, participation can play another very important role for the sustainability of organisations which are under permanent risk of falling down because of asymmetric information problems, that is, moral hazard and adverse selection problems in the relations between the following stakeholders:

- Relations between the persons at the top management of the organisation and those who have elected or nominated them;
- Relations between the persons at the top management of the organisation and those working in the organisation;
- Relations between the organisation and the donors who support its activities;
- Relations between the organisation and the people the organisation is serving.

Participation engaging these different stakeholders is a good way to prevent the emergence of asymmetric information problems in these relations: each party has a better chance to know the characteristics and the actions of the other parties. So, there will be more transparency in the management of the organisation because participation helps to reveal information that is relevant about what each party is or does. We call this the “**revealing role**” of participation.