



AN EMPIRICAL STUDY ON WORKERS PARTICIPATION IN MANAGEMENT

Binto Kurian

Assistant Professor, Department of Management studies, Christ College, Puliyanmala P.O., Kattappana Idukki-Kerala.

Abstract

The concept of workers participation in management is a powerful tool of industrial relation system. It is based on industrial democracy and develops team spirit with the employees, and belongingness in them. This helps in realization of common objectives based on Human Relations approach to Management which brought about a new set of values to working class and management. It is treated as essential ingredient of Industrial democracy in modern days. Workers' participation in management implies cognitive and emotional involvement of workers in the management of an establishment. It is considered as a mechanism where workers have a word in the decision-making. Employees at the helm of affairs have better knowledge regarding various work related issues, managers at the top level are equipped with conceptual skill to make effective decision. Managers have to get the information from the bottom level to take effective decision, furthermore practical problems in implementation of the decision and resistance to change can be better predicated by the lower level employees, and therefor it's wise for the management to prefer the decision to be taken by employee and managers at mutual interest. This can be achieved only through a system of Workers participation.

Like other management terms, WPM means different things to different people depending upon their perception and expectations. Thus, WPM is in a wider perspective. For example, for management it is a joint consultation prior to decision making, for workers it means co-determination, for trade unions It is the platform of a new order of social relationship and a new set of power equation within organizations, while for government it is an association of labor with management to ensure industrial peace and harmony. Participative Management may be defined as a system of communication and consultation either formal or informal to keep employees of the organization informed about the affairs of the concerns through which they can express their opinions and contribute to management decisions.

Keywords- Industrial Democracy, Co- Determination, Human Relation Approach, Participation and Cognitive Involvement.

Introduction

The term workers participation has a broad as well as narrow outlook. Originally, the term has brought by relations defined to include the relationships and interactions between employers and employees through Participative scheme. From this perspective, workers participation covers all aspects of the employment relationship, including human resource management, employee relations, and union-management (or labor) relations with the help of a sound unionism. While human resource management is a separate, largely distinct field that deals with nonunion employment relationships and the personnel practices and policies of employers. The relationships which arise at and out of the workplace generally include the relationships between individual workers, the relationships between workers and their employer and the relationships between employees. The relationships employers and workers have with the organizations are formed to promote their respective interests, and the relations between those organizations, at all levels. It also includes the processes through which these relationships are expressed (such as, collective bargaining, grievance and dispute settlement), and the management of conflict between employers, workers and trade unions, when it arises.

The form, structure and the content of WPM vary with social norms and nature of government in each country. WPM takes the shape of self- management, co-determination, worker director and joint management councils. Despite variation in interpretation, all agree that participation means sharing the decision making power between management and workers.



According to Walpole, Participation in Management gives the worker a sense of importance, pride and accomplishment; it gives him the freedom of opportunity for self-expression; a feeling of belongingness with the place of work and a sense of workmanship and creativity.

In the words of Mehtras “Applied to industry, the concept of participation means sharing the decision-making power by the rank and file of an industrial organization through their representatives, at all the appropriate levels of management in the entire range of managerial action”. A clear and more comprehensive definition of WPM is given by the International Labor Organization (ILO).

According to the ILO: “Workers’ participation may, broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations, decisions and negotiations to more institutionalized forms such as the presence of workers’ members on management”. The term “participation” has different meanings for different purposes in different situations. McGregor is of the view that participation is one of the most misunderstood idea that has emerged from the field of human relations. Keith Davis has defined the term “participation” as the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibilities in them. This definition envisages three important elements in participation. Firstly, it means mental and emotional involvement rather than mere physical activity; secondly, participation must motivate a person to contribute to a specific situation to invest his own resources, such as initiative, knowledge, creativity and ingenuity in the objectives of the organization; and thirdly, it encourages people to share responsibility for a decision or activity. Sharing of responsibility commits people to ensure the success of the decision or activity.

Three groups of managerial decisions affect the workers of any industrial establishment and hence the workers must have a say in it.

Economic Decisions – Economic Decisions like methods of production, automation, shutdown, lay-offs, and mergers.

Personnel Decisions – Personnel Decisions like recruitment and selection, promotions, demotions, transfers, grievance settlement, work distribution.

Social Decisions – Social Decisions like hours of work, welfare measures, questions affecting work rules and conduct of individual worker’s safety, health, and sanitation and noise control. The main aim of the scheme of Workers Participation in Management is to help in increasing production and productivity and sharing the gains of productivity through more effective management and better industrial relations. Towards this end, the Government of India has introduced a number of schemes since independence.

The idea of Participative management in India has a long history. Firstly it was introduced in 1910 and in textile industry. In 1920, Mahatma Gandhi has suggested the idea of worker participation in India. • In the same year workers and employees in Ahmedabad Textile industry agreed to settle their disputes by joint discussions and consultations, i.e., participative management in India and such committees were also setup in the Tata Iron and Steel Company. Jamshedpur.

The second phase of worker’s participation in management in Indian industries was introduced in 1938 in Delhi Cloth and General Mills Limited, but nothing sincere work could be done in this connection by the Government or by the employers. The first systematic step in this direction was taken by the Government of India in 1947, by passing the Industrial Disputes Act. This act provides for the establishment of work committees. But these committees could not achieve their objectives. The industrial policy of 1948 also supported the concept of workers’ participation in management. The industrial policy of 1956 stressed upon the need of implementing this scheme in the following word, “In a socialist democracy, labor is a partner in the common task of development and should participate in it with enthusiasm”

The first major step in the direction of workers participation in management in India was the enactment of the Industrial Dispute Act, 1947 with the dual purpose of prevention and settlement of industrial disputes. • The first five year plan and the successive plans emphasized the need of the workers participation in management. • The government of India set up a “STUDY GROUP ON WORKERS’ PARTICIPATION IN MANAGEMENT”, in 1956 to examine the system of WPM in the UK, Sweden, France, Belgium, and Yugoslavia and to make recommendation for the Indian case. Up to July 1975, there had been three forms of workers participation in management introduced in India – Works Committees, Joint Management Councils and Workers- Directors (public sector) on board of director. • In June 1977, the Indian Government setup up a high powered Expert Committee on companies and MRTP Acts under the Chairmanship of Rajinder Sachar. • The Janta Government also set up a “Committee on Workers Participation in Management and Equity” in September 1977 under the Chairmanship of Ravindra Varma, the then Union Minister of Labour. • Finally, in May 25 1990 the “PARTICIPATION OF WORKERS IN MANAGEMENT BILL 1990” was introduced.

Objectives of Workers Participation In Management.

1. To create a sense of belongingness among the workers.
2. Establish a good communication System.
3. To develop a sense of involvement among the workers.
4. To create a climate for cordial and harmonies relation between employee and employer.
5. To handle resistance for change, if need arises for a change.
6. Promote a mutual understanding between management and workers.
7. To develop a sense of commitment to decision to which they are party.
8. Establish industrial and social democracy.
9. To give the workers a platform for expressing their opinion and views.
10. To create a sense of pride and self-actualization among workers.
11. Promote creativity and innovation.

Levels of Workers Participation In Management.

1. There can be 5 levels of Management Participation or WPM:
2. Information participation: It ensures that employees are able to receive information and express their views pertaining to the matter of general economic importance.
3. Consultative importance: Here workers are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests with the top-level management, as employees’ views are only advisory in nature.
4. Associative participation: It is an extension of consultative participation as management here is under the moral obligation to accept and implement the unanimous decisions of the employees. Under this method the managers and workers jointly take decisions.
5. Administrative participation: It ensures greater share of workers’ participation in discharge of managerial functions. Here, decisions already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.
6. Decisive participation: Highest level of participation where decisions are jointly taken on the matters relating to production, welfare etc.

Significance of Workers Participation In Management

1. Growth of economy through democratic process.
2. Prevention of workers exploitation either by owners or top management.
3. To reduce the conflicting interest in an organization.
4. It helps to establish a credibility factor by openness.
5. It help the management to disseminate the various information within the organization effectively.
6. To respect the human dignity of employees.
7. its act as a platform for recognition of human rights in industry.
8. Fatigue, boredom etc. At work place are kept at the lowest level



9. This approach gives rise to job enrichment and self-managed work teams.
10. It help to get the accurate and variable information from the primary source.

The Benefits of Workers Participation In Management

Employee participation is a philosophy practiced by companies that gives their employees stake in decisions that directly affect their jobs, while employee empowerment is a corporate structure that allows non-managerial employees to make autonomous decisions. Each one is a distinct practice and is usually mutually exclusive to one another, though the benefits can be similar. The main benefits of employee participation are enhanced morale, more productivity, healthier coworker relationships and creative thinking.

Improved Cohesion

Involving employees in decisions and policy changes that directly affect their job, greatly improves morale at large. When employees are treated as an asset and their input is given consideration, confidence increases among every team member, and the company sees significant gains in different facets such as productivity and loyalty. Moreover, improved morale can increase an employee's longevity with the company. The longer the employee is associated with the company, the more experienced they become, making them mentors to new employees and indispensable to managerial staff.

Productivity and Innovation

Employee involvement and participation translates directly into increased productivity. Employees with an investment in the company's best interest increase their role in the company, fostering a stronger work culture. An increased say in decision making will always mean that there is a strong feeling of association now. There shall be employees who will take responsibility of their actions and take charge of what they have done.

When employees are given independence and expected to be more self-sufficient, they become more efficient over time, as they learn to navigate their responsibilities with minimal interference and/or relying less on managerial staff for direction. This allows managerial staff more time to attend to responsibilities other than giving assignments to subordinates and decreases role ambiguity, which retards productivity.

Team Work

Although employee participation is largely designed to give each employee autonomy, it likewise fosters better relationships between employees and with their managers, because employees that are given more independence tend to form better working relationships. Each sees the other as mutually benefiting from their working relationship. In addition, more self-governance in the workplace lessens dependence on managers and supervisors and redirects that reliance laterally to coworkers.

Innovation & Creativity

Employee participation helps to cultivate innovation. Employees that have a stake in the company's growth and sustainability will offer more ideas and problem-solving solutions when obstacles arise. Moreover, as the employee meets particular challenges or finds improvements in policies, procedures or products, it will foster growth and more critical and imaginative thinking. Employees may see a particular issue differently than a manager and be able to think of a creative solution, which may not be considered in a closed circle of managerial staff.

To Make The Use of Human Capital and Resources

Co-operative management will not restrict the organizations to exploit the physical capital of such employees. Instead of making the best use of human intellectual as well as emotional capital, it will also give all employees a good opportunity to contribute all of these ideas as well as suggestions which will improve the process of business and create an environment which is better.

Meeting The Psychological Needs of the Employee

When the employees have some say in the decision making process, it will give them some sort of psychological satisfaction. It will also give a simple force that will drive them towards boosting and improving their performance, creating a good channel and communication and coming up with practical and better solution that can design even better organizational processes.

Retaining Best Talent

Also another benefit of employee participation is that it will become the most effective strategies to find talent inside the organization.

It will also give the employees a sense of pride to have some say in the process of decision making. Others have been valued by the seniors. They will stick towards the organization and become much better management partners in meeting a few goals and achieve better success. Finally, it is the best when it comes to boosting productivity inside the industry.

In the competitive world that we live in, the job security as well as high pay packages are not good enough for boosting the productivity of the industry. What also matters alongside is industrial democracy and authority.

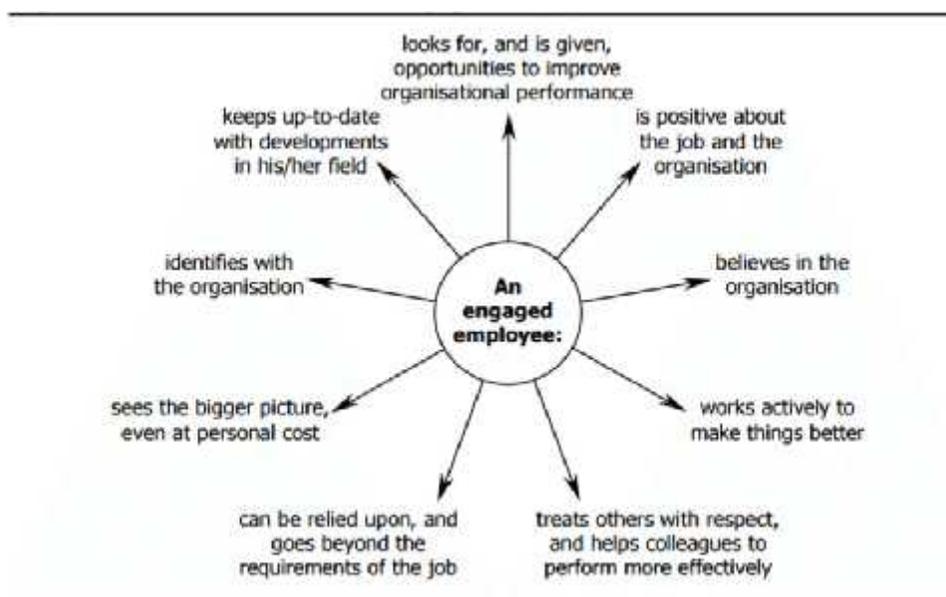
Proper Work Environment.

With effective management and employee participation comes a proper working environment. Manager will listen more to their staff, ask some of their friends for a few opinions and take them more seriously. Apart from that, the employees will also consider getting themselves into a part of some organization. This will result in a better and much more positive work place.

To Make More Effective Decision.

Finally, we come to the topic of decision. With effective employee participation, you will also be able to make better decisions which helps in creating and selecting the best alternatives. For every single problem, different people will give you different kinds of solutions. And that will benefit the work place that you are in drastically. Therefore the participation shall facilitate the process of decision making.

1.5 Table Showing the Benefits of An Engaged Employee.





Requisites For Effective Participation.

The success of WPM depends the following.

1. The attitude and outlook of the parties should be enlightened and impartial so that a free and frank exchange of thoughts and opinions could be possible. Where a right kind of attitude exists and proper atmosphere prevails the process of participation is greatly stimulated.
2. Both parties should have a genuine faith in the system and in each other and be willing to work together. The management must give the participating institution its right place in the managerial organization of the undertaking and implementing the policies of the undertaking. The labor, on the other hand, must also whole heartedly co-operate with the management through its trade unions. The foremen and supervisory cadre must also lend their full support so that the accepted policies could be implemented without any resentment on either side.
3. Participation should be real. The issues related to increase in production and productivity, evaluation of costs, development of personnel, and expansion of markets should also be brought under the jurisdiction of the participating bodies. These bodies should meet frequently and their decisions should be timely implemented and strictly adhered to. Further,
4. Participation must work as complementary body to help collective bargaining, which creates conditions of work and also creates legal relations.
5. There should be a strong trade union, which has learnt the virtues of unit and self-reliance so that they may effectively take part in collective bargaining or participation.
6. A peaceful atmosphere should be there wherein there are no strikes and lock-outs, for their presence ruins the employees, harms the interest of the society, and puts the employees to financial losses.
7. Authority should be centralized through democratic management process. The participation should be at the two or at the most three levels.
8. Programs for training and education should be developed comprehensively. For this purpose, Labor is to be given education not to the head alone, not to the heart alone, not to the hands alone, but it is dedicated to the three; to make the workers think, feel and act. Labor is to be educated to enable him to think clearly, rationally and logically; to enable him to feel deeply and emotionally; and to enable him to act in a responsible way.
9. There should be a strong, democratic and representative unionism for the success of participative management.
10. There should be mutually-agreed and clearly-formulated objectives for participation to be succeed.
11. There should be a feeling of participation at all levels.
12. There should be effective consultation of the workers by the management.
13. Both the management and the workers must have full faith in the philosophy underlying the concept of labor participation.
14. Till the participative structure is fully accepted by the parties, legislative support is necessary to ensure that rights of each other are recognized and protected.
15. Education and training make a significant contribution to the purposeful functioning of participative management.
16. Forums of participation, areas of participation and guidelines for implementation of decisions should be specific and there should be prompt follow-up action and feedback.

Participative Management Suffers From Many Limitations, These Are

1. Technology and organizations today are so complex that specialized work-roles are required, making it difficult for people to participate successfully if they go very far beyond their particular environment. This means that low-level workers can participate successfully in operating matters, but they usually have difficulty participating in policy matters.
2. Another issue is an employee's right not to participate there is no evidence that participation is good for everybody. Many people do not want to be bothered with participation.



3. Another problem is that participative situations can be used covertly to manipulate employees. This manipulation is not necessarily done by the management. It may be by the union or by undercover cliques led by members skilled in group dynamics, the social engineers of consent.
4. The feudalistic concept of the master and the servant is still prevalent among industrial workers, especially in India. Workers have an innate feeling that they are born to serve and not to rule. Participative management, naturally, is of little interest to such workers.
5. The role of trade unions in promoting participative management is far from satisfactory. Most of the unions indulge in politicking and have little time to think about participation and development work.
6. The unwillingness of the employers to share power with the worker's representatives, the disinterest of the workers and the perfunctory attitude of the Govt, towards participation act as strolling shocks in the way of promotion of participative management.

Conclusion

The government has made important efforts in the direction of introducing the scheme of workers' participation in management however the schemes of workers' participation in management have failed in India. The reasons are: Majority of workers in India are not strongly motivated to assume decision making responsibility either directly or indirectly through representatives. Reason for this may be their lower level limited needs. In workers' participation in management, the employees' representatives have to assume the dual role of spokesmen for the workers and managers. Thus such employees are required to perform two incompatible roles which creates difficulties in effective participation.

There has been managerial resistance to workers' participation schemes because they feel that workers are not competent to take decisions.

Generally, workers' representatives are also active members of political parties. Due to which preference is given to political ends rather than to the interests of workers. This brings down the effectiveness of participation. Participative management schemes have been inspired and sponsored by the Government. There has been a lack of initiatives on the part of managements and trade unions.

The trade union movement has not yet crystallized into a definite pattern. From the points discussed above, it may be said that conditions in India have not been conducive to participative management. The trade union movement has not yet crystallized into a definite pattern. They are still dominated by politics and many trade unionists are social parasites who are out to fish in troubled waters. So as long as it continues, workers cannot be expected to show the responsibility required to ensure success of participative management.

References

1. "Indian Journal of Human Resource" – September 2011 published by Associated Management Consultants, New Delhi.
2. "Harvard Business Review" – The Effective Organization (turn great strategy into great results).
3. Recent experiences in human resources development- Rao T .V.
4. The power of empowerment- David Clutterbuck.
5. Worker participation in management: the Australian experience By Russell D. Lansbury and Geoffrey J. Prideaux. International Institute for Labour Studies, Geneva, 1981.