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Challenges of various schemes of workers' participation in management

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Abstract

Workers' participation in management is an humanitarian approach that gives feeling of belongingness to the employees of the organisation by providing them mental security that they can take part in the decision making of the organisation. It is one of the finest concept of human resource management that takes care of each employee of the organisation and allow them to share their problems with the management during decision making of the organisation. This concept is helpful in bringing co-operation and avoiding conflicts in the organisation. It is important for an organisation to make proper management policies for proper implementation of workers' participation in management and organisation should work on enrichment and nourishment of existing knowledge, abilities, capabilities, talent and skills of human resources of the organisation. When an organisation works on physical safety and mental security of human resources they feel associated with the organisation and try to give their best for attainment of goal of the organisation. The present study is based on reviewing the concept of workers' participation in management, challenges of various schemes of workers' participation in management and measures for the success of workers' participation in management.

Keywords: Workers' participation in management, Humanitarian Approach, Capabilities, Enrichment, Nourishment, Co-operation

Introduction

Workers' participation in management (WPM) has its roots in Human Relations approach to management which views the workers as human beings and values them as productive assets of the organization. In the modern era, WPM is a vital component of industrial democracy. The concept of Workers' participation in management (WPM) crystallises the concept of Industrial Democracy and indicates an attempt on the part of an employer to build his employees into a team which work towards the realisation of a common objective. Traditionally, It refers to the participation of non-managerial employees in the decision-making process of the organization. Workers get involved mentally and emotionally in the management process. Workers' participation gives employees the mental and psychological satisfaction and thereby increase their involvement in the affairs of the organization. It is distribution of social power in industry so that the power is shared among all those who are engaged in work rather than power being concentrated only in the hands of a few managers. Worker's participation in management is based on mutual trust, information sharing and mutual problem solving. The concept of participation is expressed by different experts in different ways. The term participation is also variously understood by involved parties. The parties involved in the participation are workers, management and government. For management it is a joint consultation over the particular issue prior to decision making, for workers it means co-determination, while for government it is an association of labour with management without the final authority or responsibility in decision making. The concept of worker participation was introduced with the interest to bring forward or involve the non-managerial employees in their related issued so that their opposition can be avoided.

Some definitions of workers' participation in management of leading experts are given below

International Institute of Labour Studies defined, "workers' participation in management is the participation resulting from the practices which increase the scope for employees' share of influence in decision making at different tiers of organisational hierarchy with related assumption of responsibility".

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According to Dr. V. G. Mehtras workers' participation in management involves "sharing the decision-making power by the rank and file of an industrial organisation through proper representation at all the appropriate levels of management in the entire range of managerial action".

According to Keith Davis, "Workers' participation is the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share in responsibility of achieving them".

McGregor (1960) contends that, "worker participation consists basically in creating opportunity under suitable conditions for people to influence decisions which affect them. It is a special case of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. This serves to create a sense of belonging among the workers as well conducive environment in which both the workers would voluntarily contribute to healthy industrial relations".

Easton (1995) defined, "whatever term is used, workers' participation in management decision making is a system of communication and consultation, either formal or informal, by which employees of an organisation are kept informed about the affairs of an undertaking and through which they express their opinion and contribute to management decisions".

Objective of the study

The present study is undertaken with the following objectives:

- i) To review the importance of workers' participation in management.
- ii) To review the challenges of various schemes of workers' participation in management.
- iii) To review the measures for the success of workers' participation in management.

Research methodology

The method used in the research is analytical and descriptive. The study is purely based on the information collected from different sources like websites, articles published in reputed national and international journals, newspapers and reputed reference books related to this subject matter.

Importance of workers' participation in management:-

The Importance of workers participation in management are as follows:

1. Increase in Production and Productivity: The scheme of workers' participation in management helps in increasing the production and productivity of the enterprise. The workers co-operate in the achievement of organisational objectives and work with the best of their efficiency and ability. As a result of such co-operation of workers, the wastages are reduced to minimum and as a result of it, the production and productivity of the enterprise increase.

2. Mutual Faith, Trust and Understanding: The scheme of workers' participation in management established harmonious relations between labour and management. Both the parties try to understand the problems of one another. Both of them try to solve all the problems through mutual

discussion and negotiating. It gives employees a better understanding of their place, and importance in the industry.

3. Morale of Employees: The scheme of workers' participation in management helps in increasing the morale of employees also. They feel that they are an important part of their organisations and their opinions and suggestions are duly recognised by the management. It increases their morale, which in turn increases the production in the enterprise.

4. Helpful in Establishing Industrial Peace: Main cause of all the industrial disputes is the feeling of distrust among workers to their management and the management to the workers. The scheme of workers' participation in management creates the atmosphere of mutual faith and trust between employees and employers. Thus, the possibility of industrial disputes is reduced to minimum and the atmosphere of mutual co-operation and co-ordination develops.

5. Establishment of Industrial Democracy: The scheme of workers' participation in management helps in establishing industrial democracy in the enterprise. It provides an opportunity to both the parties to come close and to establish direct contact between them. It minimises the possibility of external and political interference in industrial relations. Thus, this scheme is an exercise to bring industrial democracy in the country.

6. A Way of Self-Expression: The scheme of workers' participation in management is an important form of self-expression for the workers. It provides them an opportunity to express their feelings, problems, and difficulties before the management. Thus, it provides psychological motivation to them. It satisfies their ego, and inner-man. It also develops interest, enthusiasm and willingness among them to put their best efforts for the enterprise.

Challenges of various schemes of Workers' Participation in Management

The challenges of various schemes of workers' participation in management can be summarised as follows:

1. Joint Management Councils: The scheme of establishing Joint Management Council was started in 1958 with a view to make the scheme of workers' participation in management more effective. These councils were supposed not only to provide better working conditions to the workers but also to play an important role in the functions of management. But this was only 96 Joint Management Councils working in different industries.

Causes of slow progress of this scheme are

- (i) Differences in the selection of labour representatives,
- (ii) Unsatisfactory state of industrial relations in most of the industries of the country,
- (iii) Tough terms and conditions of managers,
- (iv) Indifferent attitude of workers,
- (v) Indifferent attitude of managers.

2. Work Committees: Industries Disputes Act, 1947 has made it compulsory that a work committee should be established in all the industrial enterprises employing 100 or

more workers. By the end of 1992, 1,745 work committees were working in different industrial enterprises of the country.

These committees have not been very successful because of following reasons

- i) The recommendations of these committees are of advisory nature only. The management is not bound to follow these recommendations.
- ii) The scope of these work committees has not been clearly and specifically determined,
- iii) Multiplicity of trade unions and mutual conflicts between these unions have also weakened these committees.
- iv) Indifferent attitude of management,
- v) Conflicts between the scopes of labour unions are work committees.

3. Joint and Shop Councils: This scheme was implemented in 1975. In this scheme, a two-tier modal of workers' participation in management has been provided-Shop Council at the level of industry and Joint Councils at the level of enterprise. This scheme has been implemented in 545 units of Central Government, 167 units of State Government, 9 units of co-operative sector and 1,171 units of private sector.

This scheme has not been successful because of indifferent attitude of management and workers

4. Workers' Representation in Board of Directors: The scheme of workers' representation in board of directors was introduced with view to provide an opportunity to the workers to participate at high level of management. Under this scheme one or two representatives of workers are included in the board of directors of the enterprise. These directors participate in all the meetings and proceedings of board of directors and thus, play an active role in the process of management and decisions making. But this scheme also could not be very successful. This scheme is being implemented only in the nationalised banks, and two of the public sector enterprises i.e., Hindustan Organic Chemicals Limited, and Hindustan Antibiotics Limited.

Causes of Slow Progress of Workers' Representation in Board of Directors

The scheme of workers' participation in management has not been very successful in India so far. By and large, employers have not been very enthusiastic about the scheme of workers' participation in management. There are many causes responsible for the slow progress of this scheme in our country.

Some other challenges of various schemes workers' participation in management may be enumerated as follows

- i) The attitude of apathy and hostility of the employers and workers.
- ii) Lack of the feeling of co-operation and co-ordination among workers.
- iii) Only a few representatives of workers can participate in the process of management. Therefore, the management cannot get the benefit of the ability of all the workers.
- iv) Defective leadership of labour unions.

- v) Failure of the scheme in the enterprise in which it has been implemented.
- vi) Lack of a strong and effective labour union and multiplicity of labour unions in most of the enterprises.
- vii) Lack of co-ordination and unity among different labour unions.

Measures for the success of workers' participation in management

Following are the measures that may help in making the scheme of workers' participation in management successful:

1. Re-Organisation of Labour Unions: Labour unions should be re-organised so that these organisations may be more democratic. Stress should be on the leadership of these unions. Leaders of these unions must be from among the workers themselves and they must have positive and dynamic approach.

2. Declaration of a Specific Policy by the Government: The very first suggestion to make the scheme of workers' participation in management more successful is that the Government should declare a clear, specific and detailed policy in this regards, so that various schemes of workers' participation in management may be co-ordinated and implemented effectively.

3. Recognition of Labour Unions: The management should recognise the importance of labour unions in increasing the production and productivity of the enterprise. The management must realise that their plans, policies and programmes cannot be implemented successfully without active co-operation of these unions.

4. Changes in Traditional and Institutional System: Traditional approach of management should be changed. Along with this, some changes are required in the institutional set up of the enterprise.

These changes are as follows

- i) Work committees should be abolished;
- ii) Joint management councils should be converted into shop councils.
- iii) There must be uniformity in the duties, scope and procedure of joint management councils,
- iv) Production committees should be merged with joint management councils or shop management councils,
- v) Two-tier system of workers' participation in management should be adopted in single plant enterprises and three-tier system should be adopted in multiple plant enterprises,
- vi) A national collective bargaining in all the enterprise of public sector. Such committees may be established at industry or regional basis also.

5. Quick and Effective Implementation of the Scheme: The schemes of profit sharing and co-partnership should be implemented quickly and effectively.

6. Arrangement for the Training of Workers: There should be arrangements of providing training to both the employers and employees so that they may implement the scheme of workers' participation in management effectively.

7. Measures to Get Co-Operation of Workers: Various measures should be adopted in the enterprise to get the co-operation of workers. These measures may be taken by allotting-Reasonable share to the workers in the fruits of higher productivity of workers, fair wages, minimum inequalities in the income of workers, democratic supervision and effective communication etc.

Conclusion

By reviewing the concept of workers' participation in management we have seen that by allowing the participation of employees in the managerial decision, an organisation can foster industrial democracy in the organisation. Through implementing the concept of workers' participation in management an organisation can also promote and develop healthy labour management relations. After studying the challenges of various schemes of workers' participation in management we are seeing that each scheme is worth implementing and has positive impact on industrial relations and industrial democracy but the progress of workers participation in management has not been satisfactory because of reasons like ideological differences, absence of a strong trade unionism, illiteracy of workers, absence of positive spirit etc. Only with the help of clear and closely formulated objectives, strong trade unionism, favourable attitude to participative management, smooth flow of communication and consultation between the parties etc. the effective workers' participation in management can be implemented in the organisation.

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