



## Management Rationale for Participative Management: A case of Haryana Sugar Industry

### KEYWORDS

Participative management, Management rationale, Change execution, Productivity.

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### ABSTRACT

Workers participation is a type of management in which workers have a common say in the governance and operation of the workplace. It provides opportunities for individual employees to influence decisions concerning their work and their work environment. In recent past, the concept of participative management or workers participation in management has seen a rising concern from different groups like researchers, academicians and human resource practitioner. Workers participation enhances common understanding between workers and management, higher productivity, industrial harmony, and finally helps stir up new changes. Through this research paper an attempt has been made to find the management rationale behind workers participation in management. The result indicates that management rationale behind implementation of wpm in sugar mills is to fulfill the formal requirement and to use it as a means for change execution along with other function such as improved productivity, healthy work environment and good industrial relations.

### Introduction

Workers Participation broadly means sharing the decision-making power with the lower ranks of the organization in an appropriate manner. Workers participation used to cover all terms of involvement of employees and their representatives with the decision-making process, ranging from exchange of information, consultation, decisions and negotiations, to more institutionalized forms such as the presence of employees' members on the management or supervisory boards or even managed by employees themselves. The time has come when every organization require creative and innovative employees who can take initiative, embrace change, stimulate innovation and cope with high uncertainty in the market. In the current indecisive economic environment, organizations require creative and innovative employees who can take initiative, embrace change, stimulate innovation and cope with high uncertainty in the market. (Singh & Siwach 2013)

In a research it is found that all types of supervisors have its own reasons for resistance to employee participation: supporters of Theory X think workers will take advantage of the programs; status seekers do not want to surrender their authority; doubter question the ability of the organization to change; equality seekers think they too--not just the workers--should be included in the programs; and contract makers prefer one-on-one interactions with employees through which they can strike deals. (Klien 1984)

### Literature Review:

Schuster & Miller (1985) find that supervisors accustomed to being judged on hard performance measures like production level will resist change until they see the reward system adjust to the non economic benefits of workers participation in management.

Klein (1984) in her study reports of responses by first-line supervisors to employee involvement programs and found that nearly three-quarters (72%) of the supervisors view wpm programs as being good for their companies and more than half (60%) see them as good for employees,

less than a third (31%) view them as beneficial to themselves.

Yusuf Noah (2008) contends that the involvement of workers in management decision making is considered as a means for inducing motivation in the workers leading to positive work attitude and high productivity. Worker participation also provides workers favorable work environment, opportunity to exercise their innate potentials and willingness to pursue corporate goal .

Mc Gregor (1960) contends that worker participation creates opportunity for workers to influence decisions which affect them. In this case, subordinate gain greater control and freedom of choice which bridges the gap between the management and the employees.

Rathnaker (2012) asserts that in case participative schemes are not successful in organization, it should be improved by making aware of those schemes to all the employees in the organization. Management should develop a favorable attitude of workers towards the schemes of participative management by involving them and making them part of the scheme itself.

Dennis et. al. (2010) in their study examine the emotional and behavioral dimensions of individual resistance and based on individual inclination towards resistance to change, their thoughtfulness of threats and benefits of change; communication, participation and trust in management.

### Objectives of the Study

- i) To find the management rationale behind participative management.
- ii) To find the hindrance for workers participation in management in sugar mills.
- iii) To find relationship between participative management and change implementation

### Research Methodology

The researcher collected the data from five co-operative

sugar mills of Haryana located at Rohtak, Meham, Palwal, Gohana and Bhuna. A sample size of 204 people from middle management from different departments of sugar mills was taken to fill a structured questionnaire. The questionnaire had seventeen statements related with workers participation in management and the 18<sup>th</sup> statement was related with management rationale behind wpm. The respondents were asked to state their level of agreement or disagreement on a 5-point likert scale, where 1= strongly Disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree. SPSS 20 was used for the purpose of analysis. Factor analysis, correlation, regression and ANOVA were the statistical tools used.

**Results and Findings:**

In earlier research Singh K (2014) found that workers’ satisfaction from existing participative management practice in the sugar mills of Haryana is about 94% and the workers obtain full co-operation from manager and supervisors with satisfaction level measuring about 89.4% and at the same time workers’ satisfaction from current wpm policies of the mills with 84.8%. Using factor analysis, in rotated component matrix we get that the first component is most highly correlated with factors representing reduction of accidents, resolution of workers’ problems, and reduction in conflicts and support for better work environment respectively. Thus first component can be called ‘Work Environment’ .The second component is highly correlated with introduction of new technology, new decisions encouragement, practice and recommendations of wpm by supervisors. This component can be called ‘Change Implementation’. Third component correlates highly with awareness, improve in productivity, positive impact on Industrial relations and care for welfare of workers. It can be called ‘Industrial Harmony’ component. Fourth component is high on cost reduction and Improved Productivity.

**Table 1: Correlations between Management Rationale and other extracted components**

	Management Rationale	Work Environment	Change Implementation	Industrial Harmony	Productivity
Management Rationale	1	.151*	.731**	.245**	.412**
Work Environment	.151*	1	.000	.000	.000
Change Implementation	.731**	.000	1	.000	.000
Industrial Harmony	.245**	.000	.000	1	.000
Productivity	.412**	.000	.000	.000	1

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

In further analysis, to find the partial correlation between Management Rationale and four extracted components the Pearson Correlation method is used. The results of simple correlation analysis in Table 1 indicate that correlation between Management Rationale and other extracted components are 0.151, 0.731, 0.245 and 0.412 respectively. The level of significance is also significant (below 0.05) in all the cases. We observe that the component 2(change implementation) is highly correlated with management rationale with 0.731.

**Table 2: Regression Analysis Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 <sup>a</sup>	.786	.782	.32808

a. Predictors: (Management rationale), REGR factor score 4 for analysis 1 (Productivity), REGR factor score 3 for analysis 1(Industrial Relations), REGR factor score for analysis 1(Change Implementation), REGR factor score 1 for analysis 1 Work environment

Simple Regression analysis is used, by taking Management Rationale as dependent variable and four extracted components as independent variables. In the table 4, we see that R<sup>2</sup> equals 0.786; indicating 78.6% of variations in model are explained. The standard error is only 0.33.

**Table 3: ANOVA between Management Rationale and Extracted Components**

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
Constant	4.319	.023		188.013	.000
Work Environment (WE)	.106	.023	.151	4.595	.000
Change Implementation (CI)	.514	.023	.731	22.313	.000
Industrial Harmony (IH)	.172	.023	.245	7.465	.000
Productivity (P)	.289	.023	.412	12.572	.000

In Table 3, ANOVA between Management Rationale and Extracted Components we find that difference between means is significant for all the components ,but component 2 (change implementation) is highly significant with ‘F’ value of 188.013.

When all extracted components are considered together, again they are having significant mean differences. The estimated regression equation as obtained from Table 3 may be written as:

**MR= 4.319+0.106 WE +0.514 CI +0.172IH +0.289 P**

Where, MR= Management Rationale, WE= Work Environment, CI= change Implementation, IH= Industrial Harmony and P= Productivity.

We observe that Management Rationale is more about using Workers’ Participation in Management as a Change device. So, the new decisions regarding technology, policy or any managerial innovation can be easily implemented taking the workers approval in advance. Thus main utility of workers participation in management is to use it for the purpose of change implementation in case of new decisions. As the workers involvement will give them a feeling of belongingness and have no resistance to change.

**Suggestions:**

Modern scholars are of the mind that the old adage “a worker is a worker, a manager is a manager; never the twain shall meet” should be replaced by “managers and workers are partners in the progress of business”. Not everyone can be a leader, but allow employees to play a leadership role.”

The management of sugar mills should consid-

er the industry as a joint endeavor in which workers have an equal say and at the same time workers should be provided educated and motivated about the benefits of their participation in management. Both the workers and the management should recognize and respect the rights of each other. There should be top down communication between management and workers and a thorough and effective discussion with workers for decisions that have an impact on them. Participation should be a continuous process.

#### **Originality/Value of Research and Study Implications:**

The findings provide empirical evidence to support theoretical models that link management rationale behind workers participation in decision making with change management, industrial relations, productivity, and change management and highlight the impact of these factors on organizational performance. This article offers useful insights for management especially sugar federation of the state relation to strengthening interpersonal trust within an organization, introducing employee involvement practices especially for introduction of any new change in the system.

**Limitations:** The sample size of supervisors was taken from only five sugar mills of the state and not sufficient in order to have statistically significant results of the correlations between the variables representing sugar industry of Haryana. Also considering other category of shop floor workers could have helped to determine better relationship between all other variables. Lastly the study was conducted during off season, hence could prove better results otherwise.

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