



Workers Participation in Management

Anuradha Averineni Research Scholar, PP.MAN.161, Rayalaseema University, Kurnool

ABSTRACT

This paper made an earnest attempt to present the impact of workers participation in management on the interpersonal relations in an industry. Industrial relations have become most delicate and complex in modern Industrial Society. It attempts at arriving solutions between the profit motive and social gain, between the authority and industrial democracy. In order to build harmonious relations, workers participation in management is essential now-a-days. The concept, objectives, forms and levels of participation has been explained According to situation and need if these levels of participation is implemented in the true spirit, results in sound industrial relations system, which in turn leads to high productivity, high profits and satisfaction at all levels.

KEYWORDS

Industrial democracy, Industrial Relations, Management, Workers Participation.

Introduction:

A sound industrial relations system is one in which relationships between management and employees (and their representatives) on the hand, and between them and the State on the other, are more harmonious and cooperative than conflictual and creates an environment conducive to economic efficiency and the motivation, productivity and development of the employee and generates employee loyalty and mutual trust.

Importance of Industrial Relations:

The healthy industrial relations are key to the progress and success. Their significance may be discussed as under –

Uninterrupted production – The most important benefit of industrial relations is that this ensures continuity of production. This means, continuous employment for all from manager to workers. The resources are fully utilized, resulting in the maximum possible production. There is uninterrupted flow of income for all. Smooth running of an industry is of vital importance for several other industries; to other industries if the products are intermediaries or inputs; to exporters if these are export goods; to consumers and workers, if these are goods of mass consumption.

Reduction in Industrial Disputes – Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go-slow tactics, gherao and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.

High morale – Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him alone but they should be shared equally and generously with his workers. In other words, complete unity of thought and action is the main achievement of industrial peace. It increases the place of workers in the society and their ego is satisfied. It naturally affects production because mighty co-operative efforts alone can produce great results.

Mental Revolution – The main object of industrial relation is a complete mental revolution of workers and employees. The industrial peace lies ultimately in a transformed outlook on the part of both. It is the business of leadership in the ranks of workers, employees and Government to work out a new relationship in consonance with a spirit of true democracy. Both should think themselves as partners of the industry and the role of workers in

such a partnership should be recognized. On the other hand, workers must recognize employer's authority. It will naturally have impact on production because they recognize the interest of each other.

Reduced Wastage – Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastages of man, material and machines are reduced to the minimum and thus national interest is protected.

Thus, it is evident that good industrial relations are the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work. An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the masses can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labor.

Objectives of Industrial Relations:

- To safeguard the interest of labor and management by securing the highest level of mutual understanding and goodwill among all those sections in the industry which participate in the process of production.
- To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To establish and promote the growth of an industrial democracy based on labor partnership in the sharing of profits and of managerial decisions, so that individual personality may grow its full stature for the benefit of the industry and of the country as well.
- To eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.
- To improve the economic conditions of workers in the existing state of industrial managements and political government.
- Socialization of industries by making the state itself a major employer.
- Vesting of a proprietary interest of the workers in the industries in which they are employed.

Workers' Participation in Management

Workers participation in management is an essential ingredient of industrial democracy. The concept of workers participation in

management is based in "Human Relations" approach to management which brought about new set of values to labour and management.

Traditionally, the concept of Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision-making process of the organization. Workers' participation in management meets the psychological needs of the workers to a greater extent. That way it may also be treated as the process of delegation of authority in the general areas of managerial functions.

It should be borne in mind that when individuals are provided with opportunities for expression and share in decision-making, they show much initiative and accept responsibility substantially. The rationale of workers' participation in management lies in that it helps in creation amongst the workers a sense of involvement in their organization, a better understanding of their role in the smooth functioning of industry and provides them a means of self-realization, thereby, promoting efficiency and increased productivity.

Thus the concept workers' participation in management encompasses the following:

- It provides scope for employees in the decision making of the organization.
- The participation may be at the shop level, departmental level or at the top level.
- The participation includes the willingness to share the responsibility by works as they have a commitment to execute their decisions.
- The participation is conducted through the mechanism of forums which provide for association of workers representatives.
- The basic idea is to develop self control and self discipline among works, so that the management become "Auto Management".

Objectives:

- The scheme has economic, psychological, ethical and political objectives.
- Its psychological objective of the scheme is to secure full recognition of the workers. Association of worker with management provides him with a sense of importance, involvement and a feeling of belongingness. He considers himself to be an indispensable constituent of the organisation.
- Socially, the need for participation arises because modern industry is a social institution with the interest of employer, the share-holders, the community and the workers equally invested in it.
- The ethical objective of participation is to develop workers free personality and to recognize human dignity.
- The political objective of participation is to develop workers conscious of their democratic rights on their work place and thus bring about industrial democracy.

Levels of Participation:

Workers' participation is possible at all levels of management; the only difference is that of degree and nature of application. For instance, it may be vigorous at lower level and faint at top level. Broadly speaking there is following five levels of participation:

1. Information participation: It ensures that employees are able to receive information and express their views pertaining to the matters of general economic importance.
2. Consultative participation: Here works are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests at the option of management and employees' views are only of advisory nature.
3. Associative participation: It is extension of consultative participation as management here is under moral obligation to accept and implement the unanimous decisions of

employees.

4. Administrative participation: It ensure greater share of works in discharge of managerial functions. Here, decision already taken by the management come to employees, preferably with alternatives for administration and employees have to select the best from those for implementation.
5. Decisive participation: Highest level of participation where decisions are jointly taken on the matters relation to production, welfare etc. is called decisive participation.

Forms of Workers' Participation in Management:

The forms of workers participation in management vary from industry to industry and country to country depending upon the political system, pattern of management relations and subject or area of participation. The forms of workers participation may be as follows:

1. Joint consultation model: In joint consultation model the management consults with the workers before taking decisions. The workers represent their view through 'Joint consultative Committees'. This form is followed in U.K., Sweden and Poland.
2. Joint decision model: In this form both the workers and management jointly decide and execute the decisions. This form of participation is followed in U.S.A. and West Germany.
3. Self management of auto management: In this model, the entire control is in the hands of workers. Yugoslavia is an example to this model. Where the state industrial units are run by the workers under a scheme called 'Self Management or Auto Management Scheme'.
4. Workers' representation on board: Under this method, the workers elect their representative and send them to the Board to participate in the decision making process.

The participation of workers may be formal or informal. In the formal participation, it takes the forms of formal structures such as Works Committee, Shop Councils, Production Committee, Safety Committee, Joint Management Councils, and Canteen Committee etc. The informal participation may be such as the supervisor consulting the workers for granting leave, overtime, and allotment of worked or transfer of workers from one department to another.

Conclusion:

Prior to WPM Bill, 1990 all the schemes of participation were non-statutory and concentrated on particular levels. For effective and meaningful participation at all levels, a bill was introduced in Parliament on 25th May, 1990. The bill provide for effective participation at all level by formulating schemes of participation. For electing representatives for participation it also provides for secret ballot. The appropriate government may also appoint inspectors to review participation schemes and the bill also has provision of punishment for those who contravene any of the provision of the Act.

Thus the workers' participation schemes in India provide wide scope for application and upliftment of workers. But in practice, these schemes have not met with success though they are successful in some private sector units. The factors responsible for the failure are:

- Attitude of the management towards the scheme is not encouraging. The preventatives of workers are not given due recognition by the management.
- The attitude of trade unions towards the schemes is negative as they consider these schemes are reducing the power of Trade Unions. Some Trade Unions boycott Joint Management Council meetings.
- For the success these schemes require certain conditions.
- Management should appreciate the scheme and accept them in full faith.
- Trade unions have to cooperate with the schemes.
- Workers have to be educated. Thus workers' participation in management in India has yet to succeed. It can be done by

educating the workers, creating an environment in the organization for coordination of workers and management.

References:

- [1] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 402,403.
- [2] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 404.
- [3] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 405.
- [4] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 406–408.
- [5] Prasad. L.M., Principles & Practices of Management, Sultan Chand Publications, New Delhi, 2009. Page 409–411.
- [6] Prasad. L.M., Principles & Practices of Management, Sultan Chand Publications, Delhi, 2009. Page 412–414.
- [7] Prasad. L.M., Principles & Practices of Management, Sultan Chand Publications, New Delhi, 2009. Page 415–417.
- [8] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 420–430.
- [9] Subba Rao.P, Essentials of Human Resource Management and Industrial Relations, Himalaya Publications, Mumbai, 2008. Page 432–450.
- [10] Dunlop, J. T., and N.W. Chamberlain, Frontiers of Collective Bargaining, Harper, New York, 1967. Page 212–240.
- [11] Dunlop, J. T., and N.W. Chamberlain, Frontiers of Collective Bargaining, Harper, New York, 1967. Page 258–269.
- [12] Rao, V.S.P., Human Resource Management, Excel Publications, New Delhi, 2005, Page: 580–589.
- [13] Noteworthy Books in Industrial Relatio