

Workers' Participation in Management in India

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Abstract

Workers' Participation in Management means giving scope for workers to influence the managerial decision-making process at different levels by various forms in the organisation. It authorises the workers to take part in the managerial process. It is an important tool of bringing cooperation at workplace. It represents various types of workers' involvement (information sharing, problem sharing, consultation and decision-making) in thinking and planning process of management. In words of V.V. Giri: "Such an association of labour and management at all levels would lead to promotion of increased productivity for the general benefit of the enterprise, the employees and the community, giving employees better understanding of their roles in the working of the industry and in the process of production, satisfaction of the urge of self-expression in employees, thus, leading to industrial peace." This paper seeks to study Workers' Participation in Management in India, its various forms, problems, status and future prospects.

Introduction

As per IILS, "WPM includes those practices which increase the share of influence of employees in decision-making." It is understood as co-determination or co- decision-making. The participation has to be at different levels of management: the shop floor level, the department level and top-level. Participation in decision-making also implies that workers commit themselves to ensuring implementation. Participation is conducted through mechanism of different forums and practices. WPM aims at increasing productivity, giving employees a better understanding of their role, satisfying the workers' urge for self-expression, achieving industrial peace, better relations and increased cooperation in the industry, development of human personality and development of leaders from within the industry.

WPM in India

WPM refers to workers' involvement in decisions affecting their interests and the enterprise. It is an important element of industrial democracy. Considering its significance, provision was made in the Constitution of India. Article 43A casts a duty on the state to take steps for participation of employees in management of enterprises. Provision is also made in Industrial Disputes Act for WPM through works committee. In enterprises like Tata Steel, SAIL, BHEL, Infosys technologies, SBI, Maruti Udyog WPM is working in a productive manner. WPM can be found working from ownership level to shop floor level. At Infosys, Tata group, Birla's, Vedanta, BHEL workers participate in decision-making as shareholders, however, not in majority. BOD level participation is working in banks, IT companies, Tata Steel, ports, docks and chemicals. Participation scheme of 1983 for non-departmental public sector undertakings and banks participation schemes of 1970s got ineffective implementation. In India, WPM is over worded but underworked concept. Works committee system is a total failure except in rare instances. Constitutional mandate is not implemented. WPM Bill 1990 is still pending before Rajya Sabha. Autocratic managers, their paternalistic attitude, class consciousness, lack of knowledge and vocational skills with workers, weak Unionism, lack of political will to legislate et cetera have been responsible behind poor WPM in India. In upcoming global challenges of free-market economy and new technology, WPM is a need. Workers need to be educated about participative culture, managers need to think bigger. State should gather momentum and will to legislate WPM.

Forms of WPM in India

1. **Participation at Board of Directors level:** such participation ensures that workers and trade unions represent their core interest and overall concerns at BOD level. Port trusts, Dock labour board, Hindustan organic chemicals, Hindustan antibiotics, Sahara group, Infosys technologies etc have BoD level WPM in India.

2. Collective Bargaining

3. **Worker Ownership** : Commonly used; it is not necessary for worker to be owner but working class can affect overall policies and organisational goals through general meetings and ownership route. Ownership through sweat equity shares et cetera. Such as ESOS, ESOP, etc. companies like Infosys technologies, Sahara India, Vedanta resources, etc. have adopted this through.

4. **Works committees**: it is a form of WPM at lowest ladder of organization i.e. shopfloor level. Workers and management represent equally. Primary purpose is to secure and preserve good relations between workers and management through concentrating on matters of common interest and concerns like wage payment, bonus, training, discipline et cetera. It is most popular and effective in France and England. IDA 1947 provides for setting up of Works committees in all undertakings employing hundreds or more workers. But they have lost their charm. Primary reasons behind poor effectiveness are irregular meetings, meetings as per convenience, lack of trust, raising petty issues, interunion rivalry et cetera.

WCs can be made effective through following ways:

- adequate support by trade unions and positive attitude by Management.
- Clear-cut enumeration of tasks, functions and objectives.
- Wholehearted implementation of recommendations.
- Giving some real powers to works committees.
- Mutual trust and cooperation.
- Strong trade unions and training of Works committee philosophy.
- Concentration on important and relevant areas of concern.

5. **Joint Management councils**: it is higher-level form of WPM as against works committees. They are entrusted with the task of advising the management on all matters concerning working of industry in relation to production and welfare. Consultation on certain specific matters like Administration of standing orders, changes in production methods and techniques and reduction and closure of production. used at Telco – Pune.

6. Quality Circles et cetera., semi- autonomous and autonomous groups

7. Information sharing

8. **Suggestion Schemes/Scanlon plan** : introduced by Joseph Scanlon; a suggestion box is put in fact the. Evaluation and rewarding of suggestions by joint evaluation committee; for involving workers to solve production related problems. E.g, used at Telco -Pune

Reasons behind poor WPM in India

WPM is needed in the interests of workers and management. Despite it the state of affairs of WPM is not encouraging in India. Following factors have been responsible behind poor WPM in India. Management is not responsible due to emphasis on freedom to decide. Autocratic attitude is a major hurdle. Even educated managers have a gap between their advocacy and reality. Due to poor experience of democratic working, class consciousness, managers failed in providing participation. Unions and workers are also responsible due to inter- union rivalry, factions within unions, outside leadership and lack of union democracy. Really union themselves have failed to get recognition from management.

Workers lacking education, vocational skills and commitment cannot support participation. For economically poor workers earning for livelihood is the main goal. WPM is a luxury. Political system is also responsible for failure in making momentum and will needed to pass WPM Bill. Hence, WPM could not become a way of industrial life. In traditional industries, it is in poor state. In modern enterprises, it is emerging particularly on account of competition forces and new breed of workers.

Present-day state of affairs of WPM in India

Several Indian companies use Japanese work practices such as Team Work, Total Employee Involvement, Kaizen, 5-S System, suggestion systems and rewards. Jayshree textiles, Ingerson Rand, Alstom power, Infra India and Unilever India Ltd. are quotable in this regard. Bank of Baroda is transformed into a modern bank on the basis of participative practices, particularly clear and transparent communication with employees. Workers did not pay attention to union calls of restriction of technology use and customer centric initiatives. In India, strategic and financial information is shared less with blue-collar workers as compared with white collar workers. It is due to lack of management faith in blue-collar workers, preference to centralised decision-making and lack of awareness among workers. Participation in India has proved increase in productivity. It is evident from success attained by Tata steel and Maruti on account of participation. Infosys is shining example of WPM where workers are encouraged to have conflict till decision is made. But once decision is made execution becomes primary. BHEL and SAIL are success stories of WPM in public sector. Through WPM, SAIL avoided the need of budgetary support. During 1990s SAIL adopted Year of Suggestions. Indian Aluminium Company Ltd has a steady record of harmony, productivity and profitability on account of 4 levels of participation across the company. Firms like Hindustan Aircraft Ltd, Hindustan Unilever Ltd, L&T, Maruti Udyog Ltd., have successfully implemented suggestion schemes for workers. Pune based TELCO increased its productivity through suggestion schemes. At MUL, suggestion scheme is running along with prizes ranging from Rs. 10 to Rs. 2000 per suggestion. At Steel Tubes of India Ltd, Dev as unit, M.P., HR manager is chosen by elected representatives of workers (called Jan Sabha) from among the managers.

Future prospects of WPM in India

India's achievements regarding WPM have been poor during past decades despite constitutional mandate for participation. Future has many opportunities and challenges for WPM in India as mentioned below:

Opportunities for WPM or positive environment for WPM:

- A. Role of autocratic working and 'My Boat' approach is reducing. **With increasing democratic consciousness** in the society and by workers, enterprises or future will have to bring schemes of participation.
- B. **New class of professional managers is increasing** in widely held companies. Their attitude is not paternalistic. They prefer economic rationale behind WPM i.e. increasing productivity by using collective wisdom.
- C. **The share of knowledge workers and service industry is increasing.** Service enterprises can be successful only through greater involvement of workers. For them business is people rather than capital. Human capital requires personal and professional expression.
- D. **Increasing global competition** wherein Darwin mantra of "survival of the fittest" is working. Hardly any Fortune 500 company can be found not having WPM. Competition can be given or responded by exploring both muscles and mind.
- E. **Any successful technological change has to be accompanied** by a continuous and consistent communication with the workers. New technology and new ways of working require participatory approach to anticipate and plan for the skills needed for introducing new technology. Bank of Baroda is transformed into a modern bank on the basis of participative practices, particularly clear and transparent communication with employees. Workers did not listen to union calls of restriction of technology use.
- F. **Share of knowledge workers and women workers is increasing. They prefer participation to unionism.** Such workers can be attracted and retained through participative mechanisms. HR advertisements of good companies include worker autonomy and decision participation as features of their brand image. For example Infosys, HCL.
- G. During privatisation process or achieving disinvestment targets good enterprise image becomes necessary. Institutional investors put a low price bid for companies having high level of unionisation and poor participation or professionalism. Gradually efforts are made by the government to enhance more autonomy to PSEs through 'Ratna' status.
- H. In post-reforms period, **participation has become a necessity due to increased requirements of productivity and shortage of skilled workforce.** Headhunting is increasing. Workers are ready to move to competitive forms hence it is the responsibility of management to ensure participation and better work culture.
- I. **Increasing awareness among workers about their rights and interests.** There is high labour turnover in enterprises not having participative work culture. The image of brand employers necessarily requires any basic model of worker participation. In new environment filled with challenges worker commitment can be secured through consensus

building rather than through archaic and hierarchical direction and control. Future demands for harnessing human energy not merely in terms of their Victorian (army type) muscle power but progressively more and more in terms of creative faculties of mind.

Challenges

Really, future demands for participative approaches for meeting and giving competition and long-term survival. But worries for WPM in future are no less. Even though the rationale for WPM is not an issue but genuine and effective participation is becoming elusive.

- Modern managers are open-minded at the level of attitude but not at the level of approach. Even today they have paternal attitude and status consciousness. It would take long time to become a thing of the past.
- Currently it seems that government is not ready to bring any legislation on WPM in the near future. Nine years have passed since advocacy of need for WPM by legislation by 2nd NCL. The government does not want to add new legislation in labour laws because implementation of existing labour legislations is not encouraging.
- Unorganised labour besides low level of skills and lack of awareness about workplace rights are major hurdles for emergence of WPM in the future.
- Management prefers WPM to suit capital. It would dominate the thinking for long. Pseudo participative systems are developed. Artificial steps are taken in an opportunist manner such as at Honda Motors and Scooters India, Works committee was constituted but all the worker members were nominated by Management.
- Managerial and employer aggression is increasing towards workers. It is evident from increasing lockouts during past decade. It makes prospects of WPM poor.
- Casualisation of the workforce is increasing. Temporary, contract workers and casual workers have short duration working. It is not a healthy trend for participative practices.
- In India, suggestion schemes are resisted usually by supervisors to maintain their status. Even workers hesitate and avoid giving suggestions due to lack of confidence and fear of lay off.

Conclusion and Recommendations

For strengthening WPM in any enterprise holistic approach is needed. It requires change in mindset besides positive approaches. An environment should be created for WPM. To create an environment following should be focused upon: mutual trust and faith which is founding stone of WPM. Eliminating status differentials or status consciousness. Every position holder should treat himself as a worker. For example at Sahara group of companies MD is known as managing worker. Making the organisation a learning entity- learning attitude is helpful in greater participation. With above foundation of positive environment following steps should be taken to create and maintain WPM: clear determination of objectives of WPM. For example, information gathering or innovative ideas maybe its objectives; Establishing a relationship between job, management policies, management practices and mechanism of participation. WPM as a source of motivation only cannot survive for long. Adequate education and briefing of scheme of WPM to the participant workers and managers. Making WPM institutional or systematic rather than in a casual meeting form such as suggestion week in a quarter, Townhall system (meeting of workers and management at the end of the month). Making communication system opened and two way, eliminating unfair labour practices, adopting long-term vision, strong and responsible unionism, flexibility in approaches and effective implementation of decisions are also needed.

2nd NCL opined for need of legislative support and promote WPM in India. As per the Commission the matter of the WPM cannot be left to be decided by just managers and workers, even though success of any scheme depends upon cooperation among parties.

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