

What is workers participation management management essay



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The term participation is derived from Latin word 'Participare' that mean taking part or sharing sharing is a bilateral process involving motivational & functional manifestations, the term worker participation involves sharing in an appropriate manner. The decision- making power with the lower ranks of the organization.

Workers' participation in management is an essential ingredient of Industrial democracy and is based on Human Relations approach to Management which brought about a 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 is also known as 'labour participation' or 'employee participation' in management.

Concept:-

The technique of the workers participation in management has been regarded as a powerful behavioral tool for managing the industrial relation system. The concept of the WPM crystallizes the concept of industrial democracy and indicates an attempt on the employer to build his employee into a team, which works towards the realization of common objectives. It is a mental and emotional involvement of a person in a group situation which encourages him to constitute to goals and share responsibilities with them.

Objectives of WPM:

1. To establish Industrial Democracy.
2. To build the most dynamic Human Resources.

3. To satisfy the workers' social and esteem needs.
4. To strengthen labour-management co-operation and thus maintain Industrial peace and harmony.
5. To promote increased productivity for the advantage of the organization, workers and the society at large.
6. Its psychological objective is to secure full recognition of the workers.

Strategies / Schemes of WPM:

1. Suggestion Schemes: Participation of workers can take place through suggestion scheme. Under this method workers are invited and encouraged to offer suggestions for improving the working of the enterprise. A suggestion box is installed and any worker can write his suggestions and drop them in the box. Periodically all the suggestions are scrutinized by the suggestion committee or suggestion screening committee. The committee is constituted by equal representation from the management and the workers. The committee screens various suggestions received from the workers. Good suggestions are accepted for implementation and suitable awards are given to the concerned workers. Suggestion schemes encourage workers' interest in the functioning of an enterprise.
2. Works committee: Under the Industrial Disputes Act, 1947, every establishment employing 100 or more workers is required to constitute a works committee. Such a committee consists of equal number of representatives from the employer and the employees. The main purpose of

this committee is to provide measures for securing and preserving amity and good relations between the employer and the employees.

Functions: Works committee deals with matters of day-to-day functioning at the shop floor level. Works committees are concerned with:

f° Conditions of work such as ventilation, lighting and sanitation.

f° Amenities such as drinking water, canteens, dining rooms, medical and health services.

f° Educational and recreational activities.

f° Safety measures, accident prevention mechanisms etc.

Works committees function actively in some organizations like Tata Steel, HLL, etc but the progress of Works Committees in many organizations has not been very satisfactory due to the following reasons:

f¹/₄ Lack of competence and interest on the part of workers' representatives.

f¹/₄ Employees consider it below their dignity and status to sit alongside blue-collar workers.

f¹/₄ Lack of feedback on performance of Works Committee.

f¹/₄ Undue delay and problems in implementation due to advisory nature of recommendations.

3. Joint Management Councils: Under this system Joint Management Councils are constituted at the plant level. These councils were setup as

early as 1958. These councils consist of equal number of representatives of the employers and employees, not exceeding 12 at the plant level. The plant should employ at least 500 workers. The council discusses various matters relating to the working of the industry. This council is entrusted with the responsibility of administering welfare measures, supervision of safety and health schemes, scheduling of working hours, rewards for suggestions etc.

Wages, bonus, personal problems of the workers are outside the scope of Joint management councils. The council is to take up issues related to accident prevention, management of canteens, water, meals, revision of work rules, absenteeism, indiscipline etc. the performance of Joint Management Councils have not been satisfactory due to the following reasons:

- Workers' representatives feel dissatisfied as the council's functions are concerned with only the welfare activities.
- Trade unions fear that these councils will weaken their strength as workers come under the direct influence of these councils.

4. **Work Directors:** Under this method, one or two representatives of workers are nominated or elected to the Board of Directors. This is the full-fledged and highest form of workers' participation in management. The basic idea behind this method is that the representation of workers at the top-level would usher Industrial Democracy, congenial employee-employer relations and safeguard the workers' interests. The Government of India introduced this scheme in several public sector enterprises such as Hindustan

Antibiotics, Hindustan Organic Chemicals Ltd etc. However the scheme of <https://assignbuster.com/what-is-workers-participation-management-management-essay/>

appointment of such a director from among the employees failed miserably and the scheme was subsequently dropped.

5. Co-partnership: Co-partnership involves employees' participation in the share capital of a company in which they are employed. By virtue of their being shareholders, they have the right to participate in the management of the company. Shares of the company can be acquired by workers making cash payment or by way of stock options scheme. The basic objective of stock options is not to pass on control in the hands of employees but providing better financial incentives for industrial productivity. But in developed countries, WPM through co-partnership is limited.

6. Joint Councils: The joint councils are constituted for the whole unit, in every Industrial Unit employing 500 or more workers, there should be a Joint Council for the whole unit. Only such persons who are actually engaged in the unit shall be the members of Joint Council. A joint council shall meet at least once in a quarter. The chief executive of the unit shall be the chairperson of the joint council. The vice-chairman of the joint council will be nominated by the worker members of the council. The decisions of the Joint Council shall be based on the consensus and not on the basis of voting.

In 1977 the above scheme was extended to the PSUs like commercial and service sector organizations employing 100 or more persons. The organizations include hotels, hospitals, railway and road transport, post and telegraph offices, state electricity boards.

Levels of Management Participation

There can be 5 levels of Management Participation or WPM:

- a. Information participation: It ensures that employees are able to receive information and express their views pertaining to the matter of general economic importance.
- b. 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.
- c. 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.
- d. 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.
- e. Decisive participation: Highest level of participation where decisions are jointly taken on the matters relating to production, welfare etc.

Reasons for failure of Workers participation Movement in India:

1. Employers resist the participation of workers in decision-making. This is because they feel that workers are not competent enough to take decisions.
2. Workers' representatives who participate in management have to perform the dual roles of workers' spokesman and a co-manager. Very few representatives are competent enough to assume the two incompatible roles.
3. Generally Trade Unions' leaders who represent workers are also active members of various political parties. While participating in management they tend to give priority to political interests rather than the workers' cause.
4. Schemes of workers' participation have been initiated and sponsored by the Government. However, there has been a lack of interest and initiative on the part of both the trade unions and employers.

Measures for making Participation effective:

1. Employer should adopt a progressive outlook. They should consider the industry as a joint endeavour in which workers have an equal say. Workers should be provided and enlightened about the benefits of their participation in the management.
2. Employers and workers should agree on the objectives of the industry. They should recognize and respect the rights of each other.

3. Workers and their representatives should be provided education and training in the philosophy and process of participative management. Workers should be made aware of the benefits of participative management.

4. There should be effective communication between workers and management and effective consultation of workers by the management in decisions that have an impact on them.

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