

Participative management in india

[Business](#), [Management](#)



Participative Management in the Indian context Evolution of participative management in India Pre- Independence era: Participative management in India has taken to its roots quite early in time . This concept was introduced to the Indian soil by a few humanistic textile mill owners who sought the advice of workers' spokesmen so as to solve industrial disputes. After a few such minor incidents, business houses in India responded to the need of industrial democracy. The Tata Iron and Steel company at Jamshedpur was the first official business organization to set up a works committee which comprised of management and trade union representatives.

In 1920, when the Government of India started joint committees encouraged the implementation of such an idea in private enterprises as well. So it can be said that it was that period in India when there were manager and worker bodies that maintained co-operation and provided a common platform for problems related to industrial management. The concept of participative management in the country took shape when the demand for industrial democracy was felt by the tripartite labour organization (later on named Indian labour conference), trade unions and political leaders in 1940.

Post - Independence era: Participative management became a wider phenomenon post independence when the Industrial Disputes Act of 1947 provided for the establishment of a works committee in every industrial unit that employed more than a hundred employees. Along with this, the Industrial Truce Resolution that was adopted by the Tripartite conference in 1947 promoted labour management co-operation and Industrial Policy Resolution of 1948 provided for the workers' involvement in policies of industrial management.

Industrial democracy has also been provided for in the constitution of independent India when it referred to all round democratic participation. In 1976, it was amended to the constitution by article 43- A that it would be imperative on the state to consider the participation of workers in industrial managers. Thereby, participative management became a constituent part of Five year plans and Industrial policy resolutions. There were several other developments with regards to the topic later on. Tripartite labour conference held in May 1977, recommended that a committee be set up to enable the smooth participation of labour in management issues.

This committee recommended that every company employing more than 1000 workers should comprise of labour participation in the Board of Directors. The committee also suggested that even if the number of employees is less than 1000 in a corporate organization, it should be allowed for workers to have their representation in the Board of Governors. Operating models for participative management in India Since independence the government of India has promoted the participation of workforce in the management by introducing various models for operation from time to time.

The reason for the same being the reservations of managers who let in certain junior executives into the council and did not equip them with any decision making powers. Workers representation on board This model provides for workers to have an opportunity to participate in the ownership of capital as well as in decision making level where the contribution could be meaningful

- The government launched this model in 1970, when it made way for two worker directors on the boards of fourteen nationalized banks

- How this model progressed is not much represented in academic schools of thought but it is known that the scheme made no progress at all
- Presence of multiple unions and the mistrust between management and unions are the main reasons for the failure of this novel idea
- Shop council and Joint council
- The 20 point program mooted in 1975, issued directives to implement the models of shop councils or Consultative committees at the shop floor level and joint councils at the plant level Shop councils
- Employees in the shop council were nominated by the management
- Shop councils existed for a term of two years and met least once in a month
- Shop councils were generally considered to assist the management with progress in matters related to production and safety
- Joint councils Joint councils were established for the whole unit and were valid for a term of two years in which they had to meet every quarter
- The chairman of the council is the chief executive of the unit and the vice chairman was nominated by the worker members of the council
- Joint councils dealt with matters regarding optimum production, fixation of productivity norms and efficiency
- It was in the functions of these councils that the term participative management changed to workers participation to allay the apprehensions of the management

Participative management by ownership of shares A direct model which ensures the participation of every individual who owns shares of the company Worker is entitled to receive a fraction of the appreciation in capital Conclusion Based on the above models and their evaluation it can be said that the government has so far not effectively tried its best to bring in the theme of participative management into the system. Whatever models and laws the government supported have been very minimalistic in nature and it is sad but true that even these models are not up to the mark.

The following points enumerate the reasons for the above situation and throw light on steps to be taken to improve the situation Tender mindedness: Union recognition should initially become a well established practice so that basic issues of drift between the unions and the management can be sorted out before moving on worker participation.

Channel of communication: The spirit with which the models of participative management interact with each other should be more relevant than the structure of councils and committees and politics associated with the same so that communication is done to resolve issues and not to raise them. Voluntary councils: Voluntary nature of councils definitely creates a situation where issues are resolved not because they are compelled to be but because of the culture and trust between the parties involved. Compulsion in such scenarios would only give way to antagonistic cooperation. Defective form of participation : Councils should be formed to participate as decision making forms and not as consultative bodies because it is this form of functioning that enables worker participation in its true sense.

Most of the models of worker management in India are considered to be those where the primary function is that of consultative bodies. How does this ensure industrial democracy in the true sense of the word ? Inadequate representation of supervisors in the management: Supervisors are a key to the word worker participation because they function closely with the management and with the workers. Considering them unbiased, it would make sense to involve supervisors in decision making processes in worker related issues because his decisions would represent both the sides involved.

Lack of motivation: The current scenario is such that the workers are not fully aware and are not enthusiastic about their vital stakes in the scheme because it is a distant dream. Awareness and motivation are thus the need of the hour for a better picture of industrial democracy. Traditional attitude: In spite of so much of history associated with the term of participative management, the workers still have a traditional attitude which keeps them to the lower rungs and abide by whatever the management dictates in terms of decisions.

Lack of strong trade unions: The scheme can be implemented successfully if the trade unions are stronger and serve a common purpose. Unity among workers is an absolute necessary before they want a representation in the management. Deficient institutionalisation : Attention to detail, trails and careful work are what makes the scheme more institutionalised and practical. The agenda of meetings and other relevant issues to be discussed should be drafted beforehand so that the purpose is met.

Lack of an evaluation system : It is essential to review each of these models at right intervals so that the workers are aware if their democracy is at their

will. The scenario in a capitalist economy Worker participation in India is so far a formality but not a practice that ensures better workman facilities or justice. There have been attempts to include the practice in private undertakings as well. As detailed above, initial laws pertaining to this phenomenon have been imperative on private sector to provide for industrial democracy.

Management practitioners like Shiv Nadar of HCL technologies have very smoothly been able to transform organizations by following a bottom-up approach. With all this in view, it can be said that participative management in capitalist economies is not distant dream but as we aren't there yet, it is a distant goal. It is imperative for organizations to help economies reach this goal not for the sake of the word but for the betterment of the workforce.