

Workers participation in management management essay



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Worker's participation is a system where workers and management share important information with each other and participate in decision taking.

Workers' participation in management is an essential ingredient of Industrial democracy. The concept of workers' participation in management is based on Human Relations approach to Management which brought about a new set of values to labor and management.

Workers' participation in management implies mental and emotional involvement of workers in the management of Enterprise. It is considered as a mechanism where workers have a say in the decision-making. It is a process by which authority and responsibility of managing industry are shared with workers.

Objectives of Worker's Participation in Management:

Economic Objective:

Worker's participation in management aims at increasing productivity of labor by improving cooperation between employer and employees.

Productivity is sought to be increased by improving job satisfaction and industrial relations.

Social Objective:

Under participation, industry is considered as a social institution in which each and every worker has a vested interest. The purpose of participation is to ensure human dignity and to get the workers a respectable status in the society.

Psychological Objective:

Worker's participation in management seeks to bring about a change in the attitude of the workers. Through participation, they will consider themselves an integral part of the industry rather than mere working hands. Participation provides the employees an opportunity to express themselves thereby satisfying their non-economic needs. It provides them a sense of belonging, pride and accomplishment.

Importance of Worker's Participation in Management:

Worker's Participation in Management provides the following benefits:

Mutual Understanding:

Participation brings the two parties closer and makes them aware of each other's problems. As a result, a better understanding and mutual trust can be created between employer and workers.

Higher Productivity:

Cooperation between management and labor helps to increase production and profits of the industry. Participation improves employee motivation and job satisfaction which in turn help to increase their efficiency. Higher productivity leads to lower costs per unit and greater profits which are beneficial to all.

Industrial Harmony:

Worker's participation in management helps to reduce industrial disputes and to improve worker's loyalty. Continuous dialogue between management and worker's improves peace in industry.

Industrial Democracy:

Worker's participation in management ushers in industrial democracy which is necessary for political democracy. Need for outside intervention between employer and employees is eliminated and workers are freed from exploitation.

Less Resistance to Change:

Workers often resist change due to fear and ignorance. When workers participate in the decision making, they come to understand that change is ultimately in their own interest. They become more able and ready to adopt themselves to technological and other changes made to improve the competitive position of the company.

Creativity and Innovation:

Participation encourages workers to think and take initiative. Their talent and ability can be capitalized; highly competent employees can be spotted and given prevention.

Forms / Methods of Worker's Participation in Management:

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.

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.

Joint Management Councils:

Joint consultation is the process whereby employer consults the workers either directly or through their representatives and seeks their opinion on various issues while retaining to him the right of taking final decisions. Joint consultation is a popular form of popular participation in management. These councils consist of equal number of representatives of the employers and employees, not exceeding 12 at the plant level. 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.

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

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.

Shop councils:

Government of India, on the 30th of October 1975 announced a new scheme in WPM. In every Industrial establishment employing 500 or more workmen, the employer shall constitute a shop council. Shop council represents each

department or a shop in a unit. Each shop council consists of an equal number of representatives from

both employer and employees. The employers' representatives will be nominated by the management and must consist of persons within the establishment. The workers' representatives will be from among the workers of the department or shop concerned. The total number of employees may not exceed 12.

Workers' Participation in Management in India:

Workers' participation in Management in India was given importance only after Independence. The workers participation in management is not new even though it got encouragement only after independence. In 1920, Mahatma Gandhi observed " Employees should not regard themselves as sole owners of mills and factories of which they may be legal owners. They should regard themselves trustees.

Industrial Disputes Act, 1947 was the first step in this direction, which recommended for the setting up of works committees. The joint management councils were established in 1950 which increased the labor participation in management. Since July 1975 the two-tier participation called shop councils at shop level and Joint councils were introduced. Workers' participation in Management Bill, 1990 was introduced in Parliament which provided scope for upliftment of workers. But still in India, worker's participation is not given so much importance because of some of the reasons. These reasons could be discussed below.

Reasons for Failure of Worker's Participation in India:

Some of the reasons for the failure of Worker's Participation in India can be are as follows:

Employers have by and large resisted workers' participation in decision-making. They feel that workers are not competent enough to take decisions. There is no clear evidence to convince managers that participative management will really lead to higher productivity and profitability.

Lower level needs of workers are not fully satisfied. Therefore majority of Indian workers are not motivated enough to assume decision making responsibility either directly or through their representatives.

Workers' representatives who participate in management have to perform the dual role of workers' spokesmen and co-managers. Very few representatives are competent enough to assume the two incompatible roles.

Generally trade union leaders, who represent workers, are also active members of political parties. While participating in management they give priority to political interest rather than the interests of the workers.

Schemes of workers' participation have been initiated and sponsored by the government. There has been a lack of initiative on the part of both the employers and the trade unions.

The focus has been on participation at higher levels. As a result rank and file of workers are not involved in decision making on matters directly affecting them.

In India, labor laws regulate virtually all terms and conditions of employment at the work place. Workers do not feel the urge to participate.

The unwillingness of the employer to share powers with the workers' representatives, the disinterest of the workers and the perfunctory attitude of the government towards participation in management act as stumbling blocks in the way of promotion of participative management.

Measures for making Participation effective:

Employer should adopt a progressive outlook. They should consider the industry as a joint endeavor in which workers have an equal say. Workers should be provided and enlightened about the benefits of their participation in the management.

Employers and workers should agree on the objectives of the industry. They should recognize and respect the rights of each other.

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

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.

Participation should be a continuous process. To begin with, participation should start at the operating level of management.

A mutual co-operation and commitment to participation must be developed by both management and labor.

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”. Thus the above given are some of the measures to improve upon the failure of workers participation in India.