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**Title**

**WORKERS PARTICIPATION IN MANAGEMENT:  
THEORY AND PRACTICE**

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**Abstract:**

Worker's Participation drives industrial democracy to achieve ideal goals of organisations. Maxian ideology advocate the idea of worker's participation in management on purely ideological grounds. But some of contemporary researchers conclude that the objectives of organisations profit can be secured by involving the employees in participation in management's affairs.

Present paper is an attempt to understand the theoretical and applied part of worker's participation. The management theorists believe that the ideal participation means joint decision making. Researches conducted over the last 80-90 years have indicated to the managements that their long range objectives of continued survival and prosperity can best be achieved through cooperation from the employees on the vital issues. Rensis Likert, an eminent management thinker believes that management goes through many phases, but the last phase genuinely is through participative approach. Trade union leaders also believes to adopt conformational strategy from time to time, where as Government many times had tried to push the legislations to secure votes of workers. It seems a pure vote catching gimmick. But there is always the silver lining on the dark clouds where workers union took up the challenge of running the production based organisation and proved to be milestone. Although, there are enormous possibilities of improving productivity through securing genuine employee participation at every level of organisations.

**Key Words:** Industrial Democracy, participation legislation, consultation, joint decision making, trade union.

**Introduction:**

In the past, employees were treated merely as faction of production and had no say in decision-making process of Industrial organizations.

Today, it is time of industrial democracy which means management of industrial organizations. Therefore, democratization is of utmost significance to place the common people

in effective control mechanism of modern economic life. The system must give them change to express their voice in influencing the ambience of the organization due to their interest in the ideal goals of industrial democracy. It requires worker's participation to achieve these goals. Hence worker's participation works as a vehicle of industrial democracy and is most widely discussed concept in the area of industrial relations.

In this paper, I propose to discuss the theoretical and practical issues involved in the concept of 'workers' participation in the management and its implementation. We will first attempt to understand the meaning of the term participation. Then we will try to discuss two radically different points of view of the 'why' of workers' participation. One group theoreticians – the followers of Marxian ideology vociferously advocate the idea of workers' participation in the management on purely ideological grounds. There are other management thinkers who also support the idea of workers' participation in management because their researches have led them to the conclusion that the objectives of the organization's profit – can be best secured by involving the employees in participation in management's affairs. The latter view is guided by enlightened self – interest, while the former view has an ideological basis. We will discuss both these points of view, we will try to discover whether worker's participation in management can be feasible proposition in our current situation. Here, we will take into account the situation of our managements, our employees and our trade unions and then discuss the feasibility of this proposition.

### **The Meaning of the Term Participation:**

The term participation has many meaning. In a board sense, the term participation refers to the contribution of the individuals in a group, towards a decision taken by a group.

Our psychologists who have been studying the functioning of small groups (upto 10-15 members) have observed that extent of contributions of different members towards a group decision have wide differences. A few members may take a lot of interest in the discussions, some may take a marginal interest only while a few may not even understand what the discussion is about. The issue may be decided by consensus or by majority minority voting. But one would discover that not all the members are clear about the 'why' of a decision of which they are a



party. In a way, we can say that even the presence of a member at the time of deliberations and decision-making is a participation. Psychologists speak of levels of participation. At the lower end, we may have **information sharing** wherein the leaders of the group are willing to share the information with the group members. They indicate to the member that they would give all the information that they have, to the members. The members are only expected to ask questions or seek information and the leaders are the willing the satisfy the curiosity of the members. At the next level, we have **consultation**, wherein the leader seeks the view of the members and these views are being considered when the leader takes decision for the group. Here the decision is taken by the leader, but he considers the viewpoints of the members and then takes a decision. The third and highest level of participation is **joint decision making**. Here, every member of the group is involved in the discussions and the decision is taken by consensus. Each member is now a party to this decision. It is in a sense the decision of each and every member of a group. Each member of the group is now committed to this decision, and the members believe that the decision of the group is their decision as well.

In short, when we use the word participation, we must realise that there are levels of participation. The management theorists believe that the ideal participation means joint decision-making. One eminent management thinker the suggested that in order to reach the stage of joint decision-making, we will have to begin with information sharing. After the members have accepted the idea that our management is willing to share information with us, only then they would be willing to give suggestions to the management. Now we are at the second level, namely, the management wants to get suggestions from the members and would sincerely consider these suggestions. This is the stage of consultations. Only after the management has reached this stage, it can think of involving workers in joint decision-making. So, when we think of implementing a programme of workers' participation in management, we will have to raise the following questions. Are our managements willing to share information with their own employee? My observation is that in many organizations even this is not happening. Consultation with the employees and joint decision making are far away. So the point is that we cannot achieve workers' participation in this sense of joint decision-making overnight. It certainly cannot be achieved by having legislation about it. We may have legislation, but we will not be able to implement it. The legislation will have a similar fate like the legislations on works' Committees' and 'Joint Management Councils'.

### **The Ideological Basis of Workers' Participation in Management:**

The credit for this ideology goes to Karl Marx. He believed that employers have too much power and the employees have too little of it. He also believed that the employers have been exploiting the weak and vulnerable employees. He also believed that workers are feeling alienated because they are expected to follow the orders of their bosses blindly and they do not even know the meaning of their own work. He also believed that workers make a substantial contribution to the products manufactured by the organization but they get a very insignificant share of the wealth (i.e. profits) secured by their efforts. He believed that this exploitation of the workers at the hands of managements must be stopped. And to 'owners' of the capital. They should have more say in matters which affect them and their well-being. On this ideological basis he recommended the idea of workers' participation in managements. I believe that our Government's decision of introducing the bill has an ideological basis.

### **The enlightened self-interest approach to workers' participation in management:**

Curiously in the so-called capitalistic countries in the west, the idea of workers' participation in management is gaining acceptance but on very different considerations. The business organizations come into existence to make profits. In a situation of severe competition if an organization has to survive and prosper, it is forced to make optimum use of all its resources. One of the precious and unpredictable resources is the Human Resource. Managements have realised that unless they are able to secure the willing cooperation of their employees, they may not be able to get his competitive edge. And now they have discovered that unless they are able to involve the employee in the affairs of the managements, they may not be willing to extend their cooperation to the achievement of the goals of the managements. In other words, the management are now realizing that unless they are able to secure the genuine cooperation of the employees in achieving the goals of the organization, they may not be able to gain a competitive edge over their adversaries.

At the beginning of Industrial Revolution, the employers/ managements had all the power and the employees had none. They were vulnerable and therefore in those days managements

could exploit them with ease. In other words, the employers/managements were able to use coercive tactics to get the work done through the employees. Slowly but steadily the employers/managements have been losing their prerogatives/privileges and at the same time the employees and the unions have been gaining their rights. In the organized sector the employees/unions have been able to secure better wages, working conditions and service conditions. The right of the employees to unionise is now acceptable. So now the managements are forced to deal with employees who are more and more aware of their rights and they are certainly not going to allow the managements to exploit them. In fact, the fierce competition amongst the managements for markets have made the managements more vulnerable.

Researches conducted over the last 80-90 years have indicated to the managements that their long-range objectives of continued survival and prosperity can best be achieved through cooperation from the employees on the issues. If one considers the issue of making optimum use of one's human resources in the organization, the best results can be achieved through involving employees in managements' decisions about activities in the organization. In the long run the participative approach initiated by the managements would give advantages to the management. This approach alone is capable of securing the commitment of the employees to the goals of the organisation. So the managements in the western countries have also accepted the concept of workers' participation in management. But their reasons for adopting such an approach are for business advantages and not for any ideology.

So we have very interesting situation. The socialist countries accept the idea of workers' participation in management for ideological considerations. But the 'capitalist' countries in the west also accept the same idea for purely business reasons.

So we may say that both in the socialist countries and in the 'capitalist' countries the concept of workers' participation in management is acceptable. But we have to think of our country and its situation as of now. The specific questions which can raise are: (i) Are our managements willing to accept this idea and put it into practice sincerely? (ii) Are our employees and unions willing to give cooperation to the managements if they take initiative in the matter? (iii) Will it give us the desired results?

### **The Management Scenario:**

Rensis Likert, an eminent management thinker believes that the managements go through the following phases. Many management begin their functioning as hard-boiled autocracies. They take the role of a 'tough guy' and believe in using punishment and threats of punishments to get the work done. Slowly some of them may adopt the pose of a benevolent dictator. They regard themselves as sort of father and treat the employees as irresponsible children. They adopt a paternalistic orientation. They keep on telling their employees that they (the employees) don't know what is good for them. And they (managements) tell the employees that they must obey the orders of the management and that the management would look after their well being. Such managements believe-in welfare programmes for their employees but they do not believe in discussing issues with the employees. Just as the parents expect unconditional acceptance of their commands by their children, in a similar way these managements treat their employees.

Linkert believes that after this stage has been achieved, the managements may make progress towards the third stage, which he calls as consultative phase. Here the managements encourage the employees to come out with good suggestions/ideas and they assure them that these ideas would be given a due consideration. The decisions and the responsibilities for the decisions are still with the managements. But the employees are encouraged to offer suggestions. Here the management give the necessary information to the employees, but they do not have complete information sharing.

The fourth and the last phase is the participative phase wherein there is complete information sharing and joint decision making by employees and management. This is an ideal to be achieved by the managements. But Likert gives us a caution. He suggests that organizations cannot transform themselves into participative management overnight. They will have to work patiently prepare their employees to work for this phase and only gradually this ideal stage can be achieved.

Looking at our managements, my opinion is that many of them are in phase II (Benevolent dictatorship). But a few of them are willing to consider the practice of phase III. Activities like Quality Circles are supporting such a contention. In unorganized sector it is purely phase I (Hard-boiled autocracy). Our managements are certainly not prepared for even information sharing. In one prosperous private sector organization the management introduced

the idea of information sharing. They got this sanctified even in the collective agreement. But within a few years, they had to back-track because the union began to ask awkward questions. In the subsequent agreement they made information-sharing conditional. In another private sector organization, the union has written 50-60 letters to its Managing Director, seeking clarifications of their misdeed. This document is called 'The red book'. This management has not answered even a single letter. Apparently one is inclined to believe that managements have lots of skeletons in their cupboards and they dare not give these explosive information's to the employees. So I believe that our management by and large are not inclined to genuinely practice the participative approach. They may give lip service to this but will not take this seriously.

### **The Trade Union Scenario:**

The trade union movement in our country is not as powerful as it is in the Western Countries. Because of inadequate legislation, many unions do not even feel secure. Prior to independence, there were some eminent trade union leaders who had commitment to their ideology. But, in the last 20-30 years, such leaders have become a 'rare species'. Paradoxically, while the trade union movement is not quite strong, but there are quite a few strong trade union leaders. Quite a few unions are known as Mr. So and So's union. The employees also do not show any loyalty to any union or any ideology. Like our unscrupulous politicians, they are willing to switch over their loyalties overnight if some other trade union leader promises than some more benefits. In such an atmosphere many trade union leaders are complete to adopt confrontational strategy. Any sensible trade union leader which shows his willingness to cooperate with the managements on matter of mutual benefits is branded as a 'chamcha' of the management. In such a vitiated atmosphere, it is extremely difficult to have a meaningful dialogue between the management and the union. Even on issues like improving productivity in the organization, the union coolly say that it is not our concern or employees concern, but it is the concern of the management alone.

Certainly all the trade unions would vociferously support the legislation on 'Workers' Participation in Management', but they are not likely to show any genuine interest in implementing this idea. Some of them would be too happy to be the worker Director on the board. But, nothing worthwhile would be achieved by this.

### **The Situation of the Government:**

The government has decided to push through this legislation to secure the votes of workers. It is a pure and simple vote-catching gimmick. The government – both at the center and states- have nothing like a clear policy on labour. Even after 40 years of independence, we do not have a legislation on Recognition of a union. There is no political will even to implement the legislations already enacted. one is really ashamed to observe that even the minimum wages act is not being implemented in many states. There is no adequate machinery to supervise the implementation of various provisions of the Factories' Act of 1948. The employees who contribute to the 'ESI Act' themselves do not have much faith in it. Many employees make use of ESI provisions to get their sick leave regularized. When we can't implement the already existing legislations, what is the point on enacting more legislations? So, I believe that legislation on workers' Participation in Management is not going to help our industrial organizations to improve the productivity.

If improving productivity in our organization is our major concern, then this legislation will not be of any help to us. I believe that the initiative is entirely with the managements. If they are able to evolve some sensible long-range policies about how to deal with their employees and their trade unions, a lot can be achieved by them. But, unfortunately they are concerned with short-range advantage only. And curiously such short-sighted decision create problems in these very managements in the long-run. The issue of 'temporary workers' is a case in point. Many management believe in keeping employees as temporary employees. They try to circumvent the laws (which give them enough loop-holes) and keep the employees temporary as long as they can. But, after some years quite a few employees do become permanent usually with the help of the union. And now these employees become anti-work and anti-management. So you exploit the employee for 4-5 years and then the same employee exploits you for the next 25-30 years. By and large, our managements show a complete lack of sensitivity to their own employees. These managements profess 'Human Resource Approach' on public platforms, but they treat their employees as dirt.

### **The silver lining on the dark clouds:**

All along I have indicated my misgivings about the Indian scenario. But, there are some glorious illustrations also which are not only worth-mentioning, but worth-emulating.

In one private sector organization, the management came to the conclusion that the operation were not profitable and they wanted to sell the organization. One public sector under taking showed interest in taking over this organization, but it imposed two conditions on the existing management. One was to reduce the work-force by 25% and the second the reduce the salaries of the existing staff. Here the union and the management together took up the challenges of persuading some employees to leave the organization and also to persuade them to accept the 'lower' wages. They succeeded in this venture and now these 300-400 employees have their jobs and the organization is functioning well. Genuine cooperation between management and union can work wonders.

In another well-known case, the management had almost abandoned the organization. Here the union took up the challenge of running the organization. These were lots of obstacles, but they were overcome. Now this organization is doing well as of now. The point is that even employees /unions can acquire managerial skills and successfully manage the organization.

Such examples do indicate that management can behave sensibly. Unions and employees could also cooperate with the managements. Even the employees and unions can manage the organizations.

To summarise, let me say that there are enormous possibilities of improving productivity through securing genuine employee participation. But this cannot be achieved by enacting a legislation. The legislation is more likely to make a mockery of a sound idea like promoting employee participation in management. It is advisable that Government should first improve the functioning of its own departments and public sector organizations and then only think of enacting legislations on the subject. In public sector organizations and Government Department, the Government itself is the management. Why can't it demonstrate to others that participative approach can give results? The Government, which cannot manage its own departments and organizations has no business to pass a legislation in this crucial area and force it on other organizations.

I would like to make suggestion to the Government it can persuade the managements of some loss-making organizations to implement the participative approach and demonstrate that through this approach these organization have been transformed into profit-making organizations. Such demonstration projects can go a long way in persuading the managements to adopt this participative approach.

### **Will the Government take up this challenge?:**

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