

Participative Management in Industrial Sector



Dr. Punam Kumari

Bihar University, Muzaffarpur,

Bihar, India

ABSTRACT

The term participate management is interpreted in many ways, Management generally interprets as joint consultation prior to decision making., workers mean it co-decision or co-determination. The Government thinks it as the association of labour with management without final authority for decision making. Hence in different situations, participative management has acquired different meanings. The terms co-operation, joint consultation, co-determination are very frequently used interchangeably. However, the major objectives of participative management as it is emphasized by the second Five year Plan are (a) to promote productivity for the general benefit of the enterprise, the employees and the community (b) to give employees a better understanding of their role in the working of the industry and the process of production (c) to satisfy the workers', urge for self expression thus leading to industrial peace, better relation and increased co-operation.

INTRODUCTION

The concept of workers participation in management emerged from the simple truth that man is not purely an economic being by a member of a group in a work place sharing its norms and goals. Since increased production can be achieved through improved human relations, participative management is likely to lead to greater organizational health and effectiveness. The idea of workers' participation in management is realized from the fact that the progress of the firm depends as much on employers as on labourers to participation s looked upon as means of permitting labourers to take part in decision making proceres and thus to increase individual creativity and enthusiansm.¹ According to prof. Richardo E. Walton "participation is influence of sub ordinates on action taken by their superiors".² According to Davis "it is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and shares of responsibilities in them".³ However the concept of participation meant sharing of decision making power by rank and file of industrial organization through proper representation at all levels of management in the entire range of managerial action."⁴ Workers participation in management hence is defined by some author as "a principle of attaining industrial democracy by ensuring the total involvement of workers in achieving the organizational goals of an enterprise." 'Y' theory of management, has defined as "Participation consist basically of creating opportunities under suitable conditions for people to influence decision affecting them participation in special case of

delegation in which the sub-ordinate gains greater control, great freedom of choice with respect to his own responsibility". Hence the doctrine of participative management is based on the philosophy of authorizing workers to take part in managerial functions. In capitalistic economy the idea behind participation is to achieve industrial peace and harmony while in socialistic the object may be to achieve industrial democracy in its widest sense, Industrial policy of India has stated that "In a socialist democracy. Labour is a partner in the common task of development and should participate in it with enthusiasm.⁵ True, participation, however, is ego involvement and no task involvement or mere activity⁶ John Darr has defined participation as individual's mental and emotional involvement in a group situation that encourage him to contribute to group goals and to share responsibility with them.⁷

Historical Background :

In India workers' Participation has an old history. The first sign of joint consultation was of rudimentary type which was introduced in cotton textile industry. The Hitley Committee in 1971 recommended for the formation of the joint management councils to discuss the mutual problems in a spirit of co-operation in order to increase prosperity for industry. The first works committee was set up in TISCO at Jamesdpur during 1919. In 1921 government of Bengal proposed to set up works committee in industrial undertakings for setting disputes. In 1922 a joint committee was established in madras (Cuckingham and Caranat ic Mills). In the year 1929-31, the report of the Royal Commission on labour was published related to the organization of works committee individual undertakings and joint industrial councils in different industries. As far back as 1941, the National Planning Commission of the Indian National congress, in its report on labour policy suggested that both in interest of industry and the community, it would be desirable to associate workers progressively with the management of industry. In August 1942, a tripartite labour organization was set up with advisory function, The All Trade union Congress put forward the demand in 1945 to give workers a say in management. In was argued that this would serve as a check on the unrestricted powers of the management and also impart to the worker as sense of belonging. The labour investigation committee, 1946 reported that works committees were very common in railways, Meanwhile some managements had set up joint committees for settlement of grievances. The management of TISCO for example set up in 1946 joint committees to settle grievances. Later, in 1947, it constituted a joint committee to draw up a new wage structure.

The industrial Disputes Act of 1947 gave a statutory footing to the practice of joint consultation. The Act, interalia, provided for the constitution of works committees composed of an equal number of representatives of labour and management in all industrial establishments employing more than 100 workers. The duties of these committees were to remove causes of friction between the employer and the workmen in day to day working of the establishment, for scaring good relations between them. Soon after the Act, Joint participation was accepted by workers as well as employers at the tripartite labour conference held in December 1947, By an order of the Government in May 1948, it required managements in major areas, mines oil fields and few other undertakings in the public sector to set up works committees, By the end of September 1951 there were 1,142 works committees and 428 production committees in operation in the private sector and 423 works committees in the publicsector.⁸

During the Second Five Year Plan a study group was sent by the Government to Europe and other foreign countries to study workers participation in management. The report submitted in 1957 made its recommendation based on European experience to make scheme for compulsory formation of joint committees

in Indian Industries. The Indian labour conference in its 15th session (1959) discusses the above report and the scheme was introduced in 1958 in India. The scheme of workers' participation also favoured the progressive extension during the Third Five Year Plan.⁹ A conference of the Central Minister held in February 1961, encouraged the extension of the scheme to public sector undertakings. A special committee was constituted to review the progress of the scheme. The worker's participation in management received greater importance after announcement of the 20 point programme by Mrs. Gandhi, the Prime Minister of India in 1975. The Central Minister for labour announced the scheme on 30th October 1975. It empowered management of form joint committees at shop-floor or department level and joint councils at the plant level, in case industry having labour strength 500. The object behind the scheme was to boost production and to enhance productivity of the Industry.

Government have firmly committed to the idea of implementing the system of workers' participation in management in industries. The commitment received formal recognition when Article 43 A was inserted as a Directive Principle of State Policy in the Constitution of India by the 42nd amendment Act 1976. Article 43 A reads as under the state shall take steps by suitable legislation or in any other way, to secure the participation of workers in the management of the undertakings, establishments of other organizations engaged in any industry". In January 1977 the Government decided to extend the scheme to public sector, commercial and service organizations. A tripartite committee on participation under the chairmanship of Sri Ravindra Verma, the then Union Minister for Labour gave a report on 25th November 1978, suggesting that there should be an organization both at the centre and the states to monitor the implementation of the scheme of workers' participation in management. The workers' participation in management has grown in size and shape from its inception. It has been a success a other countries like west Germany. Yugoslavia, France, Israel the U.K. etc. with consistent efforts and determination we can make workers' participation in our country and in our organization a great success and thus make it to be a great help in increasing production, quality, productivity and boost-up overall efficiency of our organization.

The Philosophy of participative management is mainly to serve four purposes like – Economic, Psychological, Social and Political.

Economic

The workers view is that they contribute to the progress and prosperity of the enterprise and should have a share of such gains of productivity. Thus the economic objectives of the participative management are to (1) Increase production (2) Enhance productivity (3) Improve industrial relations.

Psychological

It is a sense of collective belongingness that replaces the sense of acquisitiveness, it is the social interest that releases self-aggrandizement and it is a sense of creative participation in management that replaces the sense of bossing. The collective management of the means of production gives rise to an integrated personality and national integration.

Social

The socialist approach treats worker participation as an essential step in the development and perfection of socialist democracy, which ensures fullest decentralization and participation of the people. Socialist approach views workers participation in management as a multidimensional programme, for socialist construction.

Political

Political view of participative management is that the workers have the right to choose and determine the nature of management of an enterprise to which they belong. It ensures to make democracy democratic. The study group on workers participation constituted by the SAIL in 1977 observed that "The workers will participate in management in the present condition of our country in order to strength in the workers and the democracy of the country.

Need and Importance

The needs for effective participation are many and varied. Experience and research indicate that there is a growing concern for democratic values being extended to work life. This is also reflected in the constant push from employees for greater involvement in decision making and thereby to drive more satisfaction from work. It ensures that proper feedback flows from top to bottom which facilitates a more realistic approach in decision making at higher levels of management. Workers participation system will increase the production and productivity and also will increase the sense of responsibility of the workers. Workers tend to work hard when they have a feeling that they are implanting their own ideas and decisions made in participative culture. Besides, in the selection of machine the factors to be considered are cost-output rate, output quality, case of maintenance, manning requirements and the life. All these factors cannot be concerned persons before taking decisions. Dr. S.M. (Patil (H.M.T. Bangalore) has highlighted that for developing motivation amongst employees, managers themselves will have to get an example of selfless dedication to their duties, as also to develop an aptitude to build up warm human relations with as many people as possible in lower echelons.

In the Indian context, the government feels that the need to participative management can be divided into two categories (i) goals predominantly benefiting the management (setting and reaching higher production targets, optimum utilization of manpower, correcting factors interfering with productivity, controlling absenteeism and maintaining discipline among the labourers (ii) goals mainly benefiting the labour force (safety measures, measures reducing fatigue improving physical working condition and developing manpower training programmes)¹⁰ The observation of also holds good who said.." If the workers are to be reduced to give their best, a new kind of factory discipline will have to be worked out resting on a much greater measure of consultation in the factory and workshop'¹¹ Northcott further observes:..consultation is a two way-road and, that is, the more technical a process the greater is the need of management of secure collaboration based on knowledge and understanding"¹² Thus the worker is no longer treated as a hand to be hired and fired by the employers: in fact, he is a person with certain rights and obligations and the firm's well-being is intimately related to his own well-being. The aim of participative management should be to evoke the fullest possible collaboration of the employees in decision making at levels appropriate and relevant to their jobs and to themselves, Alexander opines that" Participation permits a more balanced interaction pattern and therefore, results in less resistance to innovation"¹³ Participative management helps the workers to feel that the industry belongs to them as much as to the management and that they work hard to increase output and to reduce cost of production. Hence in India it is the most important motivation factor for achieving economic goal. By implementing this scheme the frustration of the workers disappear and their employment becomes more meaningful and their desires are satisfied.¹⁴ Hence workers participation is a means for building an industrial tension and makes it possible to settle the industrial disputes at the plant level itself. In this context the Gandhian principle is veiled even today..."Labour and capital must function as mutual trustees of each other and jointly as trustees of community

whom they serve. In fact where capital employs labour, the labour in turn employs capital and both labour and capital are jointly employed by the society.”

With the deterioration in the climate of industrial relations the idea of workers’ participation in management is becoming a live issue. Many people in this country and abroad hold the view that by securing the participation of workers in management, it may be possible to reduce the tensions and the strains that become so irksome a feature of industrial life. The success of an individual as a worker depends on his attitude towards work. It is increasingly realized that workers should be made to contribute their best not only by offering them reasonable emoluments but by inculcating in them a sense of involvement in their work. It is well to remember that employers too should take interest in the creation of industrial democracy since a climate of unrest undermines the interests not only of labourers but those of employers as well, and ultimately those of the nation. No wonder the Government has been declaring that increased association of labour with management is an integral part of the labour policy. The Royal Commission on labour as early as 1931 observed that “since prevention is better than cure, and attempt to deal with unrest must begin rather with the creation of an atmosphere unfavorable to disputes than with the machinery of settlement”.¹⁵ In this direction, today management of any large industrial undertaking has adopted the scheme of workers’ participation to give an opportunity to workers to participate in the Management. The scheme of participative management in the Rourkela Steel Plant is known as “Participative Culture”.

Nature of Participation

Generally the four forms of participation in industrial sector reveals. They are (1) Informative (2) Consultative (3) Associative (4) Administrative.

Informative Participation

In Informative participation the members of the committee or council share certain information with the management for instance the information regarding the figures of production, diction, general information regarding progress and economic condition of the undertaking which are made available to the members for their understanding and satisfaction. This is the lowest form of participation, for the members do not have any rights to disclose secrecy of the information provided to them.

Consultative participation

In consultative participation the committee or council is consulted by the management on matter relating to canteen, welfare and amenities, production and methods of work, safety, housing and other welfare programmes of the company. However the committee is purely an advisory body and the final authority is the management to accept to reject it. Compared to informative participation this is superior and involves high degree of sharing.

Associative participation

In associative participation the management takes up the suggestions of the committee or council for solving the problem if faces. Suggestions are invited on matters relating to improvement in the methods of manufacture and work. Production and sales programme, organization and general conduct of the undertaking. This is an improvement over consultative participation in the sense that the members are to receive and discuss the matters within the purview of the committee and make suggestions hereupon. It also places a moral obligation upon the management to accept and to implement it.

Administration Participation

In administrative participation the decision has already been taken before it comes to the committee. But the choice of the method of implanting the decision, within the given alternative, is left to it as a body. Such participation includes administration of welfare measures. Supervision of safety measures, operation of vocational training preparation of schedules of working hours, break and holidays. Compared to other participation this one involves greater degree of sharing in the authority and responsibility and responsibility of the management's function.

Conclusion

The industries have so many committees with almost equal or different ratio membership strength from the management and workers side. These committees participate in the administration of welfare and safety measures, redressal of employees grievances, improvement in production, quality and productivity, reduction in production costs and toning up of overall efficiency.

Industrial Relations involve certain abstract phenomena like attitude, morale, sense of responsibility, feelings and belongings etc. and these cannot be adequately measured by any statistical devices and also their impact upon the number of strikes, lockouts, work-stoppages and man hour lost etc. Hence it is very difficult to measure the contribution of the joint committees in improving labour management relations.

REFERENCES

1. Pylee, M.V. Workers Participation in Management, (New Delhi : N.V. Publications, 1975) P. 8
2. Ibid., P.9
3. Keith, D. ; Human Behaviour at Work, (New Delhi : Tapa Mc Graw Hill Co. Pvtl. Ltd. ; 1975) P. 12
4. Mhetras, V.G.; Labour Participation in Management, (Bombay : Ph.D. The sis Menaktalas, 1966) P.11.
5. Participative Management in Rourkela Steel Palnt, An Appraisal, 1984, P. 2.
6. Gorden, W.A.; The Psychology of Participation, Psychological Review, Vol. 53, May 1945.
7. Joh, W.D. ; Movitation and Morale, Two Keys to Participation, {Personnel Journal, June 1968.
8. Chowdour, s.K. ; The Participative Management, Indian Experience (New Delhi ; The Times of India, Daily Newspaper, Jan 1983) P. 8.
9. The Third Five Year Plan observed that “ for peaceful evolution of the economic system on a democratic basis, it is essential that workers participation in management be accepted as a fundamental principal and urgent need” Govt. of India Planning Commission, The Third Five Year Plan (New Delhi : Manager of Publications, 1962) P. 254.
10. Satyam Sundram , I. Participative Management, (Myths Reality) P. 11. Publishing House, 1964) P. 6.
11. Da's, Nabagopal, ; Experients in Industrial Democracy, (Bombay : Asia Publishing House, 1964) P. 6.
12. Northcott. C.H. ; Personnel Management, Principals and Practice, Lon don : Pitman and Sons, 1960) P. 180.
13. Alexander, K.C.; Participative Management, The Indian Experience, (New Delhi : Sri Ram Centre for Industrial Relations and Human Research, 1972) P. 6.
14. Pyiee, M.V. ; op cit., p.13.
15. Govt. of India, Report of the Royal Commission on Labour on India, (Calcutta : Government Printing Press, 1931 (PP. 339-340)