

## **Workers Participation in Management : Definition, Characteristics and Objectives!**

### **Definition:**

Like other behavioural terms, WPM means different things to different people depending upon their objectives and expectations. Thus, WPM is an elastic concept. For example, for management it is a joint consultation prior to decision making, for workers it means co-determination, for trade unions It is the harbinger of a new order of social relationship and a new set of power equation within organisations, while for government it is an association of labour with management without the final authority or responsibility in decision making.

Let us also go through some important definitions of WPM.

According to Keith Davis, “Workers’ participation refers to the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share in responsibility of achieving them”.

In the words of Mehtras “Applied to industry, the concept of participation means sharing the decision-making power by the rank and file of an industrial organisation through their representatives, at all the appropriate levels of management in the entire range of managerial action”.

A clear and more comprehensive definition of WPM is given by the International Labour Organisation (ILO).

### **According to the ILO:**

“Workers’ participation may, broadly be taken to cover all terms of association of workers and their representatives with the decision-making process, ranging from exchange of information, consultations, decisions and negotiations to more institutionalized forms such as the presence of

workers' members on management or supervisory boards or even management by workers themselves as practised in Yugoslavia".

In Yugoslavia, WPM is governed by the Law on Workers' Management of State Economic Enterprises and Higher Economic Association. The Act consists of a three-tier participation structure: collective bargaining, workers' council, and board of management.

In fact, the basic reason for differences in perception of WPM is mainly due to the differential pattern of practices adopted by various countries while implementing workers' participation in management.

For example, in Great Britain and Sweden, WPM is in the form of Joint Consultation through Joint Consultative Committees, Works Committees in France, Co-determination Committees in West Germany, Joint Work Council in Belgium, Workers' Council and Management Board in Yugoslavia and Union Management Co-operation in USA.

In India, WPM is in the form of, what we call Labour Management Cooperation and Workers' Participation in Management. It is implemented through the agencies like Works Committees, Joint Management Councils (JMCs) Shop Councils, Unit Councils and Joint Councils.

Notwithstanding, these different forms of WPM differ only in degree, not in nature.

Be the perceptual differences as these may, WPM is a system of communication and consultation, either formal or informal, by which the workers of an organisation are kept informed, as and when required, about the affairs of the undertaking and through which they express their opinion and contribute to decision-making process of management.

### **Characteristics:**

**The following are the main characteristics of WPM:**

1. Participation implies practices which increase the scope for employees' share of influence in decision-making process with the assumption of responsibility.
2. Participation presupposes willing acceptance of responsibility by workers.
3. Workers participate in management not as individuals but as a group through their representatives.
4. Worker's participation in management differs from collective bargaining in the sense that while the former is based on mutual trust, information sharing and mutual problem solving; the latter is essentially based on power play, pressure tactics, and negotiations.
5. The basic rationale for worker's participation in management is that workers invest their labour and their fates to their place of work. Thus, they contribute to the outcomes of organization. Hence, they have a legitimate right to share in decision-making activities of organisation.

### **Objectives:**

The objectives of WPM are closely netted to the ration-able for WPM. Accordingly, the objectives of WPM vary from country to country depending on their levels of socio-economic development political philosophies, industrial relations scenes, and attitude of the working class.

To quote, the objective of WPM is to co-determine at the various levels of enterprises in Germany, assign the final to workers over all matters relating to an undertaking in Yugoslavia, promote good communication and understanding between labour and management on the issues of business administration and production in Japan, and enable work-force to influence the working of industries in China, for example.

In India the objective of the government in advocating for workers' participation in management, as stated in the Industrial Policy Resolution 1956, is a part of its overall endeavour to create a socialist society, wherein the sharing of a part of the managerial powers by workers is considered necessary.

**The objective of WPM, as envisaged in the Second Five Year Plan of India is to ensure:**

1. Increase in productivity for the benefit of all concerned to an enterprise, i.e., the employer, the employees and the community at large.
2. Satisfaction of worker's urge for self-expression in the matters of enterprise management.
- 3 Making employees better understood of their roles in the organisation.

In ultimate sense, the objective of WPM in India is to achieve organizational effectiveness and the satisfaction of the employees.

**Accordingly, the objectives of WPM in India are to:**

1. Promote mutual understanding between management and workers, i.e., industrial harmony.
2. Establish and encourage good communication system at all levels.
3. Create and promote a sense of belongingness among workers.
4. Help handle resistance to change.
5. Induce a sense among workers to contribute their best for the cause of organisation.
6. Create a sense of commitment to decisions to which they were a party.

### ***Levels of Participation:***

Having known the objectives of WPM, the question then is to what extent workers can participate in decision-making process. In other words, it is important to know the extents/levels of co-determination in an organisation.

Viewed from this angle, Mehtras has suggested five levels of workers' participation ranging from the minimum to the maximum. Since these levels of workers' influence the process and quality of decision making in an organisation. We are therefore highlighting here these levels briefly ranking them from the minimum to the maximum level of participation.

### ***Informative Participation:***

This refers to management's information sharing with workers on such items those are concerned with workers. Balance Sheet, production, economic conditions of the plant etc., are the examples of such items. It is important to note that here workers have no right of close scrutiny of the information provided and management has its prerogative to make decisions on issues concerned with workers.

### ***Consultative Participation:***

In this type of participation, workers are consulted in those matters which relate to them. Here, the role of workers is restricted to give their views only. However the acceptance and non-acceptance of these views depends on management. Nonetheless, it provides an opportunity to the workers to express their views on matters involving their interest.

### ***Associative Participation:***

Here, the role of the workers' council is not just advisory unlike consultative participation. In a way, this is an advanced and improved form of consultative participation. Now, the management is under a moral obligation to acknowledge, accept and implement the unanimous decision of the council.

***Administrative Participation:***

In the administrative participation, decisions already taken are implemented by the workers. Compared to the former three levels of participation, the degree of sharing authority and responsibility by the workers is definitely more in this participation.

***Decisive Participation:***

Here, the decisions are taken jointly by the management and the workers of an organisation. In fact, this is the ultimate level of workers' participation in management.