

**WORKERS
PARTICIPATIONS
IN
INDUSTRIAL
MANAGEMENT.**

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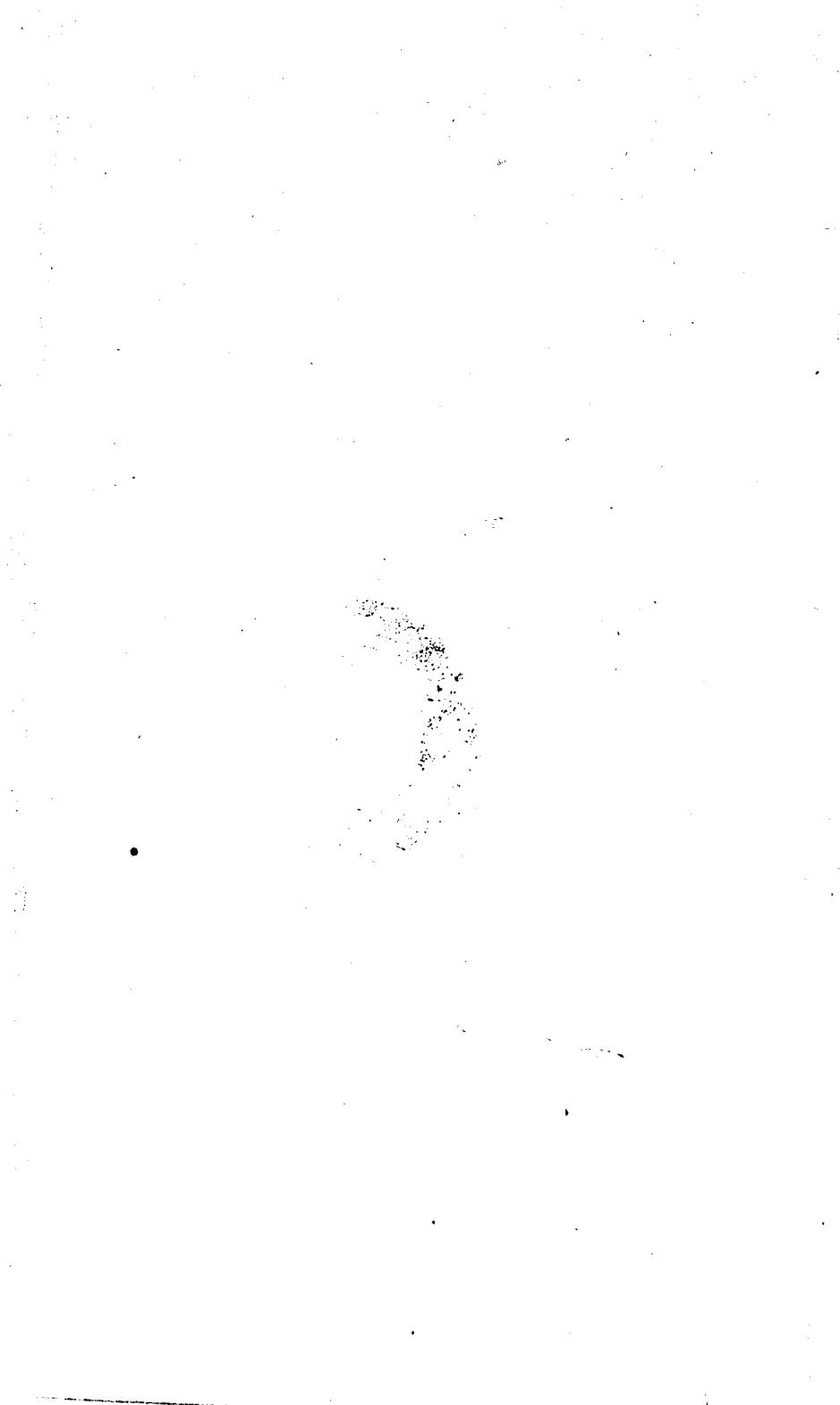
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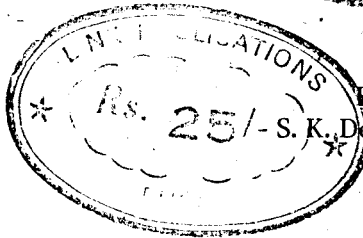
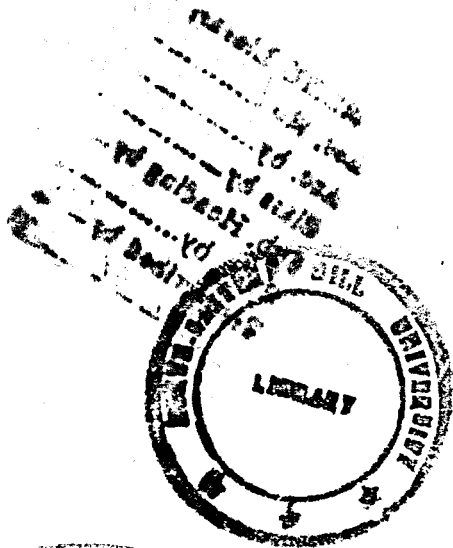
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Workers' Participation in Industrial Management



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Workers Participation in Management is much talked subject.

The Authors association with Personnel Field has, involved him in the 'workshop' of this nature at the factory level.

The various notes prepared by the author led to write this book.

It is more or less academic work, than field except one survey embodied in the volume.

CONTENTS

No.	Perticulars	Page No
1	Worker's Participation in Industrial Management.	1
2	Australian Workers Run Successful Factory:	4
3	Labour-Management Consultation in Nevo Scotia (Canada)	7
4	Worker Participation in Norway	8
5	Workers on The Board - UK	9
6	Advisory Committee on Worker Participation in U.K.	12
7	Workers Contribution Firm's Capital And Their Representation In Its Working In West Germany.	13
8	EEC Move For Worker Participation	15
9	Italian Attitudes Towards Industrial Democracy And Worker's Participation	16
10	Productivity And Role of Trade Unions :	17
11	Editorial Power Sharing and Responsibility Sharing	27
12	Participation To Some Purpose	31
13	Labour Participation in Management	35
14	Industrial Democracy Is It A Myth Or a Reality ?	38
15	Partners in Managment	41
16	Worker's Participation In Management	47
17	Worker's Participation In Management A new Approach To Labour Philosophy. A New Age	55
18	Seminar on The Subject	59
19	Worker's Participation in Industrial Management	65
20	Worker's Participation In Management Guidelines.	71
21	Associan of India Engineering Industry	74

WORKERS' PARTICIPATION IN INDUSTRIAL MANAGEMENT

One of the proclaimed aims of the British Government is "to make power in industry genuinely accountable to the workers and the community at large" and very few people could reasonably object to such a principle. But the difficulties arise, as they always do, in the application. Nevertheless, several very large companies are experimenting with "workers' participation" in management, recognising that the complexity, capital investment and interdependence of the modern industrial state is so great and so vital that the widest participation is necessary to ensure the widest understanding. Behind this is the belief that the common interest of both management and workers in the success and profitability of the major corporations is greater than anything that divides them.

The object of participation from their point of view is therefore to identify and change possible causes of friction before they lead to industrial disputes.

For their part, the powerful trade unions, with 10 members have said that their idea of participation is that they should nominate half the members of the governing boards of directors. This is an opening bid, and not necessarily final. Not every union is enthusiastic about participation because they see the possibility of a conflict of interest arising between the management — whether half of it is trade union nominated or not — and the workers. Put it no higher than that they recognise the problems that might and probably would be created, and so they are reserving their judgement. After all they have very great power without participation in the management. Do they need it and would it help them?

Such questions will be the subject of long debate, naturally enough, but what can be said now is that participation in one form or another will increase.

Worker-directors

The nationalised steel industry has had "worker-directors"

AUSTRALIAN WORKERS RUN SUCCESSFUL FACTORY:

By Noel Carrick.

It is Friday afternoon after work, you are fed up with the way the firm is run, and there is a thing or two you would like to tell the boss

The company then buys you drinks while you say that thing or two — but there is one problem : : there is single boss. Every worker in your factory is the boss — so if there are any changes required, you must convince your fellow workers.

Such a firm exists in Australia.

Dynavac Propriet Limited, which makes vacuum equipment, has abolished the conventional command structure. There are no managers. Each worker, altogether receiving a different salary, has an equal voice in running the company, which has a factory in Melbourne, capital of the state of Victoria.

The system, according to workers at the firm, is well past the experimental stage and is working satisfactorily. Proof of this is that Dynavac makes money and turn-over exceeded A1,000,000 for the first time in the last financial year.

Dynavac is management-sharing, but not profit-sharing, company. The company's shareholders still receive their dividends although plans are being made for profits to go into a trust fund for charity.

A group of four employees drawn from the whole company are the basis of the decision-making process which in a normal company would incorporate the managing director in consultation with his board. Known as the Group, they make their decisions in consultation with his board. Known as the Group, they make their decisions in consultation with the relevant functional sections of the business. The decisions are subject to final approval by a weekly meeting of all employees.

Group membership changes regularly. One member is replaced every six weeks, so that each of Dynavac's 24 employees serves on the Group at least once each nine months.

Group meetings are held on Tuesdays, are of no specified

LABOUR - MANAGEMENT CONSULTATION IN NOVA SCOTIA (CANADA):

An effective voluntary system evolved by the labour and management in Nova Scotia has resulted in the formation of a Labour Management Committee, a voluntary organisation consisting of 20 senior representatives of the industry and labour operating under the auspices of the Institute of Public Affairs of Dalhousie University. The Committee, mainly financed by industry and labour, besides meeting every month at Halifax, conducts studies and makes recommendations on specific issues involving industrial relations in the province, and thus, in a way, functions as a study group to help the provincial government to formulate and revise legislation. The important studies so far made by the sub-committees of the main group include — (a) a study on automation and worker displacement, defining the principles an employer and a union can agree upon as they consult over the introduction of technological advance; (b) a report and recommendations on labour relations in the construction calling for increased stability through industry-wide bargaining in suitable geographic areas, rather than agreements for each construction site; (c) a report and list of proposals concerning planned legislation for the fishing industry; and (d) a study of the inducements and barriers to increased productivity, resulting in a "joint approach" for labour and management to boost output. As a result of the influence of the joint study groups on the industrial relations environment in the province, it has become easier to reach agreements on legislation and settle other labour disputes. The committee, besides having been associated in securing bargaining rights for employees of provincial agencies such as the liquor and power commissions and government hospitals, is having a big hand in reshaping the Trade Unions Act this year.

(Team work in Industry,
Ottawa, July-August, 1972.)

Worker participation in Norway

Worker participation is to be extended in 1976 to all sectors of the economy with the exception of shipping, says the Labour Government of Norway in a recently published White Paper. At present, in joint stock companies with more than 50 employees, a majority of the workforce can call for a one third representation on the board and a minimum of two directors. Companies with over 200 employees have to set up a corporate assembly, one third of whose members are elected by the workers. This body is the ultimate decision making authority and elects the board of directors.

The White Paper admits that the system will have to be modified for organisations other than joint-stock companies and a formula found for applying participation to local and central government. In principle the system would be similar to that already in operation.

Extract from AIOE LABOUR NEWS
February 1976.

WORKERS ON THE BOARD — UK

All over British Industry, with an eye to possible future Government legislation, managements are exploring the mysteries and pitfalls of participation. A small handfall plunged in years ago, but a very large number have still scarcely tested the water.

“Too may indeed, both the idea and the word itself are distasteful. Its implications, its aura of worthiness and its vagueness seem to carry an unquantifiable threat to the neat hierarchy and priorities of the managerial world. It can mean anything from giving every worker a child's guide to the annual accounts or letting him put TV sets together all by himself to allowing his spokesman a veto over all major company decisions.

“The more progressive managers accept that, as one personnel director put it, “It is no longer enough to say ‘We pay the blighters well enough they ought to be happy.’” But a great many still secretly hope that the whole participation which will disappear if they look the other way for long enough.

“The dismay among managers, moreover, is fully matched by confusion within the trade unions. The T.U.C. has declared that it wants companies to have a supervisory board half of whom are workers, but in reality the movement is hopelessly split on the issue.

“The fact is that there's absolutely no popular support for workers—directors, said the General Secretary of one large union, a lot of trade union leaders are taking the line that, even if these crazy so — and—so's at the T.U.C. are going the wrong way, must still stand together. Never such a credo with so little commented one company chairman with Socialist inclination. In firms where various brands of participation have been under way for years, this bedlam is observed with some puzzlement. To them, doubters about the value of participation are rather like parents who still have not immunised their children against polio.

“To be quite frank, said Ian Smith, Managing Director of

ADVISORY COMMITTEE ON WORKER PARTICIPATION IN U. K.

An independent committee of enquiry is to be set up in Britain to advise on the representation of workers on the boards of private firms. The Secretary of State for Trade, Mr. Peter Shore, told Parliament recently that employees should be able to participate in major decision affecting the future of their companies. This would involve a major change in company law and bring about a fundamental alteration in the way industry was managed. "Because of this," he said, "and because the issues are both complex and in this country — relatively unexplored, the Government wishes to have the best available advice before coming forward with legislation."

Mr. Shore recalled the Government's commitment to carry through, as soon as possible, a programme to extend industrial democracy in the private and public sectors. The Employment Bill and the Industry Bill, which allowed for greater disclosure of information and for the work-force to be more closely involved in planning, represented steps already taken. Meanwhile, developments in industrial democracy particularly below board level, were taking place and more were planned. "It is desirable that these should continue" said Mr. Shore.

The Minister said the Government also intended to take a "radical look" at the role of employees in decision-making in the nationalised industries, and a study had been set in hand.

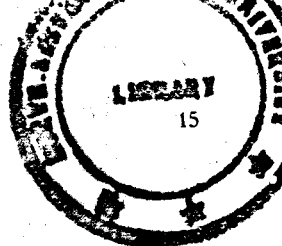
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Industrial Bulletin — May 1, 1976.

WORKERS CONTRIBUTION FIRM'S CAPITAL AND THEIR REPRESENTATION IN ITS WORKING IN WEST GERMANY.

A bill giving workers an equal voice with shareholders in the running of all large industrial concerns has been approved by the Government of West Germany. Under the new plan the supervisory boards of about 650 German enterprises with more than 2,000 employees will be composed of with effect from January 1, 1975 of 10 share holders' representatives and 10 employees' representatives. Of the 10 delegates, one will be a middle rank manager representing the executives, and three may be trade union officials from outside the firm itself. The management board will be elected by a simple majority of the supervisory board. The Cabinet has also approved another piece of legislation giving workers a stake in their firm's capital. Shareholders and workers have been equally represented on the supervisory boards of the Coal, Iron and Steel Industries since 1951. The new Bill extends principle to the rest of industry, in which until now, only a third of the board members have been drawn from employees.

FOR ECONOMIC DEMOCRACY IN DENMARK

As advanced scheme for the introduction of 'economic democracy' in Denmark is being prepared by The Danish Government. Under the scheme the wage-earners will have a substantial collective stake in the ownership of the private sector, a share in the private sector's capital accumulation and increased influence over the operations of individual enterprises. The scheme, proposed to be put forward in the next session of the Danish Parliament (the Folketing) is expected to be based on the lines indicated last year by a Committee of the Trade Union Confederation and is certainly a variation from the established theme in the Scandinavian countries of control of capital rather than of means of production for making socialist progress. As important influence on business investment, the scheme has a more immediate appeal. The Trade Union Committee's proposals include the establishment



EEC MOVE FOR WORKER PARTICIPATION:

Proposals recently unveiled by the European Economic Commission for harmonising the organisation of public companies throughout the EEC member countries, inter alia, envisage the establishment of separate management and supervisory boards on the pattern of those existing in Germany and Netherlands. The supervisory boards (which will have workers' representation in the case of companies employing more than 500 persons) would keep a watch on the overall conduct of business and would have to give consent for certain important actions like closure of a company or of one of its important branches; major changes in the company's field of activities or in its organisational set-up; starting or cessation of cooperative ventures with other companies. Workers' representation on such boards is proposed to be organised in two possible ways — either on the German pattern which provides that one third of the members of the supervisory board must represent the workers, or the Dutch pattern under which members of the board must be acceptable to the workers' council of a company. The idea of worker representation has already been incorporated in an earlier commission proposal for a statute for a trans-national European Company and is under discussion in committees of the European Parliament pending clearance by the EEC Council of Ministers.

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ITALIAN ATTITUDES TOWARDS INDUSTRIAL DEMOCRACY AND WORKERS' PARTICIPATION

The burning issues in the workers' movement, namely industrial democracy, participation, worker control, self-management have slowly started to gain emphasis in Italy. Industrial democracy in Italy implies primarily democracy in decision making about the workers movement in all its forms particularly in the trade unions. In the field of participation and self-management, the Italian Union system corresponds very closely to the ideal of an industrial democracy. Some institutions have already been set up in Italy even though they are very recent developments — employers recognition of unions, union rights safeguarding of union activities, etc.

Article 46 of the Italian Constitution provides for worker participation in the control industry, even though it has never been implemented as there has been virtually no demand for its implementation. The worker 'intervention' in company management does not necessarily require formal representative bodies or structures within a company, for participation in management decisions may, in extreme cases, take place without being directly institutionalised. For example, in Italy, the collective bargaining which evolved mainly as an instrument to determine terms and conditions of employment is now being used to influence investment policy in the area of 'managerial prerogative'.

PRODUCTIVITY AND ROLE OF TRADE UNIONS:

By — Shri. D.P.Upadhyay.

India, today, is passing through one of the most critical period of its history facing such gigantic problems as rising prices resulting in erosion of real wages or salary; scarcity of consumer goods; shortage of coal, raw materials, power and other inputs; stagnation in industrial production; rapid growth in population and large scale unemployment; failure on agricultural front due to lack of inputs and bad weather; existence of parallel economy; inflation and corruption at various levels. The economic and social picture of the country is really gloomy, but can we solve these problems with a pessimistic view of things through allegations and counter allegations, agitations and measures to counteract them? Is it not a historical fact a number of countries who are now regarded as developed and stronger nations had passed through more or less similar crisis but emerged stronger and prosperous due to collective efforts of their people and leaders? It is true that in a democratic system one is free to criticise a policy or programme but it is also true that a stage comes in the history of a country when the collective strength of the people must be diverted to face such crisis rather than wasting valuable time in fixing responsibilities for omissions and commissions. Such a stage has presumably reached our country when each sector of the community has to recognise its role in solving the problems which the country is facing so that the national economy could be strengthened to achieve the socioeconomic objectives of ensuring a better life to millions of people of this country.

There is a wide-spread recognition of the influence which organised labour or trade unions exercise on the economics of the developing nations. In India until recently the trade unions have been concentrating mostly on economic demands, seeking for their members better wages and working conditions. It must be admitted that trade unions have proved highly beneficial to the working class but the perspective for their role has altered due to three major changes :

- i) The labour cannot agitate for "more and more" in an economy which is experiencing great strains for various

INNOVATIVE APPLICATION OF WORKER PARTICIPATION

The present scheme lays down practical emphasis on the following aspects. First, the title itself is different. It speaks of worker participation in industry — not in management. Secondly, it emphasises the role of the actual worker, on the one hand, and the line management people, on the other to involve themselves with each other in the industrial problems jointly. Thirdly, it stipulates with reasonable clarity the business exercises that these directly—involved parties must process mutually. Fourthly, scope has been provided for flexibility of the scheme. Fifthly, it has been made voluntary and avoids statutory compulsion. Taking all these factors into account, the scheme aims at workable results and not abstract idealism.

In spite of all this, there could be a mechanistic approach to the scheme. A mechanistic approach would be to view the present scheme as just another gimmick and to just go through the motions of setting up the infra—structure without really caring whether it works or not. A more dynamic approach would be to use the scheme as a competent tool to produce the factors that have been totally missing in the organised sector right from the time of our modernisation.

The significant vacuum in the organized sector is what might be termed as “constituency evolution and involvement” in the organizational system. By the term “constituency”, reference is made to “ownership”, “management”, and “labour” as distinctive constituency groups in any organizational system which are required to interact with each other to evoke optimum collaborative relationship even in the midst of normal and natural conflicts of

EDITORIAL: POWER SHARING AND RESPONSIBILITY SHARING :

The core theme in industrial relationship is the issue of sharing power in the economic organization of the enterprise. The organised system of industry is instinctly perceived as an instrument which is able to mobilise all forms of resources, co—ordinate their utilisation, and produce needed goods or services. In this process, various interest groups emerge within and without industries claiming or aspiring for stakes in the fruits of the organisation's endeavours. The owners seek maximisation of returns on their investment — irrespective of whether they are individual propriety, family ownership, private corporate, public corporate, co—operative or even worker—owned. The constituency of workers also constitute a strong interest group seeking similarity, maximisation of returns on their services which is their capital. Similarly the state, representing society would aspire to seek maximum returns from the organised sector through various levies, taxes etc. The suppliers of goods and services to the organised sector also strive for maximum returns. The clients of the organization also would like to receive highest quantity of services with the best of quality for cheapest price range.

All these maximised interest claims on the organization by interest groups are normal economic behaviour and can be balanced into enlightened self—interest instead of crass self—interest of any one group, through skilled interaction between the interest groups. This is nasically the function of an instrument which is called the “management” of the organization.

In order to achieve the maximisation of their interests, each group seeks through their organizational pressures and clout, higher power for their constituency in he organization to commandeer, deploy and utilise human and material resources in a manner that would fulfil its special aspirations. Owners do this by

the emergence of professional management. Unions in their infancy stage, also are tempted to smother the evolution of professional management on the grounds that such an instrument will cater to reconcillation of all interest groups and not just one interest group.

PARTICIPATION TO SOME PURPOSE

By Sharu S. Rangnekar

We periodically get the chant of "workers participation in management". Seminars are held and resolutions are passed with no follow-up action. In fact, the expected inaction makes it easier to be enthusiastic about the slogan. It is essential to examine the idea carefully and determine the conditions under which it can become functional. Basically, workers' participation in management involves acceptance of the concepts of participative management and de-emphasis of hierarchy.

Our present organisational culture is conducive to autocracy. Persons brought up in a strongly patriarchal family easily accept a father-figure taking all the major decisions and most of the minor ones. The autocrat's heading such organizations enjoy the concentration of power. In such a situation, forcing participative management only turns the autocrat into a hypocrite who continues the autocratic management behind a facade of participative management talk.

The getting together of people to deal with decisions may be classified as follows:

- (1) This-is-my-wish Meeting— The meeting is called essentially to convey decisions to subordinates. The approach is authoritarian and, although queries are allowed to clarify the decisions, the decisions are not to be questioned and participative management is ruled out.
- (2) Let—the—majority decide meeting — Here representatives of various groups meet to take decision on matters of mutual interest. The decisions are taken by voting — the majority winning the issue.
- (3) Let—us—bargain Meeting: Here also representatives meet, however, decisions are taken not by votes, but by bargaining on a "quid — pro quo" basis.
- (4) Let—the—experts contribute Meeting — This meeting is held between professionals to contribute to the solution by pooling the expertise in their relevant fields.
- (5) What—have—you—to—say Meeting: This meeting is called for exchange of information and opinions. These are

LABOUR PARTICIPATION IN MANAGEMENT

By S.G.Khanolkar

“I have always said that my ideal is that Capital and Labour should supplement and help each other. They should be a great family living in unity and harmony, capital not only looking to the material welfare of the labourers, but their moral welfare also — capitalists being trustees for the welfare of the labouring classes under them.” — Mahatma Gandhi.

The concept of labour participation or involvement in Management was much older than is generally believed. The credit for the idea goes to Fredrick Taylor, father of Scientific Management. Management essentially lies in decision making and policy framing so as to get results through people and for the people. Participation on the otherhand, is the process of delegation of authority and responsibility in the general arena of management function, so that the corporate objective are realised in the shortest and best possible manner, Prof. Davis has defined participation as “mental and emotional involvement of a person in a groupsituation which encourages him to contribute to group goals and share the responsibility in them”.

The need for participation in management has arisen because of the fast pace of change in the field of technology and organisation development. The complex character of modern industries and services involving close inter—relationship between diverse roles has generated various ideas about how to motivate people at work into playing their role effectively and profitably. Quantitative performance can be extracted through oppressive salve driving methods but qualitative performance is possible only through the consent of the personnel involved and to evoke better performance, techniques such as profit sharing, making workers shareholders, workers director, making them involved in Works Committee. Canteen committee, Joint Management Council, providing welfare facilities and fringe benefits and human relations techniques have been introduced.

In western countries like Yugoslavia, West Germany, the U.K. experiments have been carried out in this direction. The reports of these experiments are divergent in nature. However, it

INDUSTRIAL DEMOCRACY IS IT A MYTH OR A REALITY ?

By : Jitendra Dholakia.

The question whether industrial democracy is myth or a reality can be settled only in terms of its social relevance to the modern industrial society. Social relevance of industrial democracy can be understood only from the standpoint of social, psychological and economic forces which generate the demand for industrial democracy. If industrial democracy is regarded as a move in the direction of democracy in industry, then it may be acceptable as a socially desirable goal in itself. If industrial democracy is socially meaningful how can it be a myth?

Moreover if one views the practices and methods of industrial democracy from the global, macro—dynamic perspective, one may say that there have been many experiments in industrial democracy ranging from Robert Owen's Co—operative, production unit at New Lanark to schemes self—management by worker—managers in Yugoslavia. Hence industrial democracy, far from being a myth, has been very much with us in reality. One would go a step further and say that if industrial democracy is myth, it must be transformed into reality because demand for industrial democracy is a rational plea for more equal distribution of powers between workers and managers, It is essentially a demand for democratisation of work place and is therefore in consonance with democratic and egalitarian ethos. Dominance of the owner—management and subordination by the employees, this dominance—subjugation model, does not fit in with the framework of social democracy.

Of foremost importance is the question whether the industrial democracy in the form of employees' participation in decision—making processes is relevant to the achievement of objectives for which it has been designed. Here industrial democracy can be looked upon as a tool to achieve specific organisational goals such as (1) Industrial harmony (2) Employee's satisfaction, and (3) Optimisation of productivity. For example, the joint management councils promoted by the government in India have objectives such as better understanding among workers of their role in industry, increased productivity and satisfaction of worker's urge for self—expression which would result in better industrial relations.

Partners in management

By Ajit Singh

With the progressive conversion of large dynastic or individual proprietary enterprises into public companies, the classical view of the relationship of manager and worker, as master and servant, is no longer valid. In the case of public enterprises, whose finances are drawn, so to speak, from the entire community, the manager becomes only a trustee of the community. The management scheme of nationalised banks announced by the Government, which provides, among others, for appointment of representatives of workmen on their Boards of Directors, mark a major step toward broadening the base of participative management of public enterprises. In addition to representatives of both workmen and non-workmen employees, the propose boards of management would also include representatives of various other interests outside the organization, i.e. depositors, farmers, artisans, government and specialists in the field of banking. Properly constituted, these boards should provide an ideal instrument to serve the twin functions of an antenna and transmission system for building two-way communication with a view to creating proper organizational behaviour — which after all is the basis of all good management. The representative of workmen employees is to be appointed by the Central Government from out of a panel of three such employees furnished to it by the representative union. Though this method of nomination may not be the most democratic way of selection, it has the merit of a pragmatic measure keeping in view the present state of industrial relations and the need to avoid converting the enterprise into an arena for periodic lectioneering campaigns which selection by ballot would inevitably entail.

The question of workers' participation in management of industry has been engaging the attention of the government for

WORKERS' PARTICIPATION IN MANAGEMENT

By M.K. VERMA

Although in recent times we hear increasingly about workers' participation in management, it is well to remember that in its essence this concept has been practised (without being much preached) since the early days of industrialisation. Instance are not lacking where the enlightened employers of the olden days fostered among their employees an attitudinal integration with their organization, based on mutual personal regard. We do hear about loyalty and deep attachment of workmen of those days to their employers and organizations. Later, paternalism by employers, although it arose out of good intentions, acquired dubious reputation. In its best traditions, paternalism was an expression of the employers' desire to integrate their workmen with the objectives of the organization and promote a sense of belonging. The present day debate, however, tends to be concerned not with satisfaction of the human urge to 'belong' but with the attainment of an impersonal, formal, organisational status for the workmen.

The Concept of Participation.

With the growth in size and complexities of business management, as also the emergency of the need for growing specialisation, a great deal of delegation of responsibility and authority at all levels down the line has become inevitable. In that sense, even the workmen at skilled levels are called upon to shoulder certain, responsibilities and exercise authority. But "delegation" must not be confused with "sharing" of authority. Similarly, complete ownership of an organization by a co-operative of the workmen should again not be mistaken for participation in management.

The concept of participation, as understood today, covers any measure which may be introduced - either by the employer himself, or by legislation or by collective agreement with the objective of ushering in co-management by the owners and/or

WORKERS' PARTICIPATION IN MANAGEMENT: A NEW APPROACH TO LABOUR PHILOSOPHY. A NEW AGE

After years of fruitful experimentation, we have now reached the level where we are in a position to disentangle ourselves from the occupies a place of pride in the 21 point package economic programme announced by the Prime Minister, is a kind of challenge giving the workers a clarion call to come out of the rut of old fashioned trade unionism and to adorn himself with an entirely new philosophy and outlook.

GENESIS

The worker's participation in management or by whatever name it may be called, is an essential ingredient of industrial democracy. In an industrial democracy the workers have the inherent right to the facts about the industry the facts about profits, production, market and international competition, and to share with management the benefits of increasing productivity. The problem relating to the workers' participation in management was considered as early as 1957 in the 15th Indian Labour Conference wherein it was decided that no legislative measure may be adopted since the employers had voluntarily agreed to introduce the scheme in some selected industries. Even prior to that, the first experiment of its kind for developing closer association of employees with management was made by the T.I.S.C.O. when in 1956, an agreement was concluded between the Tata workers' union and the management. The objective of the agreement were to promote increased productivity, to provide greater opportunities to the employees for understanding their role and importance in the working of the industry and in the process of production, and to satisfy the urge for self-expression.

WHITLEY COUNCILS

A committee of employers' and workers' representatives with Mr. J.H. Whitley, M.P., as Chairman was appointed in U.K. in 1916 to consider the means of securing a permanent improvement in industrial relations and to recommend means for securing that these relations should be systematically reviewed by those concerned. This was later on to develop as Whitley or Joint Industrial

SEMINAR ON THE SUBJECT:

More recently, a seminar on Workers' Participation in Management was held at Jaipur in October 1975 which urged for a cautious approach and taking modest steps so that the impediment, faced in the process of implementation of this programme could be overcome. It was also suggested that initially the scheme should be tried out in core industries, e.g. Coal, Steel, Heavy Engineering, Fertilizers, etc. The seminar agreed on a three-pronged programme for establishing machinery for workers' participation, i.e. (i) Formation of shop-floor committee, to look into the production problems and determination of production targets. Such committees should have shop-floor workers who should be able to determine jointly with the management representatives production forms and targets, (ii) Formation of departmental committees to coordinate the achievement of production set by the shop-floor committee. They should further be responsible for removing bottlenecks and for providing facilities in regard to material utilization and manpower and equipment effectiveness to achieve the targeted production, (iii) Formation of Plant level committee, which should be seized of the problems of production, the cost and quality of products as well as other matters concerning the efficiency and profitability of the enterprise.

For the proper functioning of these committees, the following steps have been suggested; (i) There should be adequate delegation of powers to the joint committees with framework set out at different levels. In the absence of this, the functioning of these committees would not be effective and the decisions arrived at will not find implementation. Only in exceptional circumstances, the decisions arrived at should be subjected to a review at a higher level, (ii) To make participation effective, it would be further necessary to bring about an orientation in the outlook of both management and labour. A systematic educational programme campaign will be necessary not only for the level of workers but also for the middle and higher management, (iii) About the manner of representation of workers on these committees it was felt that in units having only one union or a recognised union, the

Workers' Participation in Industrial Management 65

By : M. B. Durve

In every country, whatever its political set up, the workers at the place of work are always governed by the managerial decisions and instructions. Howso ever strong the trade union may be it is everybody's experience that in almost all industrial organisations, important decisions about organisation, production, finances, distribution of profits, use of manpower and its planning, expansion programme, etc. are considered mainly as management's prerogatives. The concept of management is however, gradually yielding place to a new concept. In the new concept workers role in management is getting due recognition. The entire history of trade union movement makes it abundantly clear that workers all along struggled and are still struggling for getting equitable share in the gains of the capital by securing the right to have a reasonable say in the day to day administration of the organisation. Workers participation in management in its simplest form thus means how to secure a bigger say for the workers in the determination of the service conditions governing their daily working life. Workers participation in management in technical sense means 'Joint management'. For this purpose, it is absolutely necessary that the Board of Directors, Managers, workers and their unions should have full faith and confidence in each other, all forms of labour-management consultations are supplementary mechanism and constitute the traditional stage of workers participation in management. In fact all collective agreements which are the results of collective bargaining are nothing but the workers participation in determining working conditions in any industrial organisation.

Workers participation in management has achieved grater importance in modern times. It is one of the points in the 20 - points Economic Programme given to the country by our Prime Minister. During the discussions, with the trade union leaders on 5th July 1975, the Prime Minister emphasised the need for evolving a scheme for participation in management in order to ensure greater involvement of workers in production and achieve greater productivity.

3. **WORKERS PARTICIPATION IN MANAGEMENT GUIDELINES.**

The contents of paragraph 7 were also acceptable, subject to the condition that there should be parity between the representatives of the management and workers in the SCs and JCs.

It was considered to be a good idea to mention in the guidelines that management representatives should hold prior consultations (before the meetings of the SCs and JCs) to formulate their ideas on the points to be discussed in these bodies.

The question whether the recognised union should be entitled to nominate all the representatives on the SCs and JCs was a subject of considerable discussion. It was felt that the scheme also does not envisage that only the recognised union should nominate all the workers' representatives. A practical solution would be to ask the recognised union to nominate 50% of the representatives and the rest filled by election.

The contents of paragraph 9 that there is no union, the workers should be elected and independent authority like the officials of the Labour Department should be associated, were also acceptable.

The contents of paragraph 10 (holding discussions with registered union), paragraph 11 (maintaining a full record of the efforts made by the management for constituting the SC and JC, if union is opposed) and paragraph 12 (election of workers' representatives despite union opposition) were approved.

The suggestion in paragraph 14 that either the rival union should reach a compromise formula or allow the emergence of workers representatives by election or workers who are not the members of the union should be allowed to represent workers on these bodies, association of Labour Department officials in connection with election of these representatives, was also approved.

The contents of paragraph 15, 16 and 17 were accepted,

ASSOCIATION OF INDIAN ENGINEERING INDUSTRY
(WESTERN REGIONS)

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For Members only

1st April 1976

GUIDELINES

INTRODUCTION

By Resolution No. S-61011(4)/75—DK-1(B) dated October 30, 1975, a Scheme for

By Resolution No. S 61011(4)/75-DK-1(B) dated October 30, 1975, a Scheme for workers' participation in industry was announced by the Government of India to be implemented voluntarily by establishments employing 500 and more workers. The National Apex Body and the State Apex Bodies have recommended that the Scheme should be implemented immediately.

While a number of public sector undertakings have either implemented the Scheme or have initiated action for implementation, few undertakings in the private sector appear to have implemented the Scheme. An unfortunate impression is gaining ground that the employers in the private sector are not so enthusiastic. The Association fully appreciates that the industrial units face genuine difficulties in the implementation of the Scheme: one of the first steps in implementing the Scheme is consultation with the unions and many establishments may have problems of (i) multiplicity of unions, (ii) unions which are not recognised but have to be reckoned with, (iii) unions with which no dialogue still exists, and (iv) strained union-management relations. Some difficulties in implementing the Scheme may also arise from certain sections of the Scheme which may seem to be ambiguous.

Keeping the various difficulties in view, the Association has formulated some guidelines for assisting the member concerns in dealing with the various situations with which they may come across in the process of implementation of the Scheme.

