CHAPTER - VII

FINDINGS AND SUGGESTIONS

Grappling with the problem of economic growth with social justice and realising the surge of democratic ideas among the working class endorsed by socio-cultural and politico-economic milieu, the philosophy of industrial relations has undergone a perceptable change from unitary to democratic decision making. Workers participation in management came as a collaborative phase in the international labour-management sense in which both the parties meet with cooperative impulses for achievement of common objectives to provide efficiency of an enterprise for the interests of the economy. There is nothing idealistic in such cooperation since it is based on balanced pragmatism for complementary functioning of the parties with enlightened realisation that a conflict ridden course leads at best
only to mixed results. Hence there is a quest for industrial harmony which is the real basis for policies for closer cooperation between management and managed. The main thrust behind the principle of workers participation in management is to give everyone in the organisation a sense of participation in it, and a means to identify himself with the work.

The expression workers' participation does not have the same meaning in everyone's mind, and most international discussion on the subject suffer from the fact that those who use the term are often thinking of one particular form of participation only. In its broadest sense, it covers a great variety of approaches which many different countries have opted. There are variant forms of workers' participation such as collective bargaining, works councils and works committees which are operating in European and American countries for quite some time. It needs to be understood that the ultimate objective of the management-workers relationship is to contribute to the economic and social development of the country and this objective can only be achieved if management and workers are prepared to
transcend their short-term interests.

The ethical aim suggests a rejection of the older exploitative forms of capitalist enterprise and seeks to restore to the worker himself self-respect destroyed by the machine culture of modern age. Economic aim expresses that workers expect to increase production by participation so that they can share in the gains of production and the socio-political aim is an extension of the democratic idea, with sharing in power in the decision making. The study is divided into seven chapters.

Chapter I deals with the 'Dynamics of the Concept of Workers Participation in Management'. It has been pointed out that workers participation in management is a resounding phrase, bridging the past and future. It shows the millemial vision of the last century. While heralding the evolution of the new forms of industrial organisation under the present day pressure. Although the world of workers' participation is plentifully supplied with the ideas, institutions and opinions, it is however, woefully short of facts as to what actually
goes on the practical working of institutions intended to give workers some influence on managerial decisions in general and its impact upon efficiency and the quality of life in particular. Without such information, dogma flourishes and practice is guided by doctrine.

This chapter further highlights that an active participation of workers in the management of industrial enterprise has been recognised as an important aspect of sound industrial management. It not only ensures healthy industrial relation with the enterprise which is essential for promoting the achievement to increase productivity but also in turn helps in enhancing the prosperity of both management and labour as well as the society as a whole. It is, therefore, realised that an appreciation in all industrialised countries that workers should be more and more closely associated in the functioning of the enterprise with a say in management decision process, as without their whole-hearted participation it would not be possible to run the undertaking successfully.
Chapter-II concentrates on the 'Socio-economic Rationale of the Concept of Workers' Participation and it attempts to explain the applied aspect of the concept through different models of workers participation and their impact on various segments of industrial relations and as on productivity, labour turnover and absenteeism. The early socialists only advocated revolutionary changes in the concept of rights, privileges, duties and the ownership of wealth, but failed to put these thoughts into practice. The First World War seemed to have brought uniformity to this movement. The old theory of 'hire and fire' is paradoxical to the modern concept of labour management relations. The present school of thought requires that labour should be treated like human beings and should be accorded the just treatment which a human being would expect from any other human being.

However, the main objective of the scheme of workers participation in management is to promote cordial relations between management and managed, build up closer understanding and trust between them,
effect substantial increase in productivity, secure better welfare amenities for workers and to instil in them how to share the responsibilities of the management. Workers' participation does have enormous potential and promise in order to integrate workers with the industrial functions, structure and human processes.

Chapter-III has been devoted to study the existence and functioning of institutions of participative forums in U.K., France, West Germany, Poland, Yugoslavia, Israel and Japan. The position of workers participation in management has varied from country to country. It has varied from joint consultation in the United Kingdom to co-determination in West Germany, Joint Supervision through works committees in France to a participation in decision making forum in Poland, self-government in industrial undertakings in Yugoslavia to the Hizadruth with its dominant social orientation in Israel, and in Japan 'Ringi System' in which authority for decision is not specified.

Workers participation in management has become
a major political, social and economic issue in many countries. Though it has assumed different forms in different countries in order to meet their needs. Review of international experience revealed that all the countries that have tried one or the other forum of workers participation in management are still keen to continue with their scheme and improve upon them and also in most of the countries a certain amount of governmental support through legislation or other forms are being extended in promoting participative management. Thus, we should be cautious before formulating our scheme and should not copy from successful experiments of European and highly industrialised countries, but have to formulate our own scheme, according to our own socio-economic and political conditions in the light of the experience gained abroad by avoiding their mistakes. The basic issue is, however, to evolve adoptive form of workers participation, rather than get exasperated in face of obstacles to it.

Chapter-IV gives an analytical view of workers participation in management in regard to
its historical background, growth and development and application in India. It has been stressed in this chapter that the idea of workers' participation in management of industries and commercial enterprises both in the public and private sectors is neither new nor novel. The problem, however, has always been about its scope, content and objective. Several attempts have been made to experiment with various forms of workers' participation, through legislation and exhortation. The Government's interest in reviving the scheme of workers' participation since 1948 is mainly aimed at increasing production and productivity. The philosophy of Indian scheme of workers' participation provides a sound basis for the involvement of workers in the decision making process, in a greater control over their work environment and in bringing about a genuinely participatory society as an essential foundation of a democratic system.

The Industrial Policy Resolution of 1948 and 1956 were thus introduced, as it was felt that workers' involvement in the production process could only be secured, if the worker was given a say in
the affairs of management. Thus unlike what happened in Europe, in India participation was brought about by a Resolution. The pattern of participation tried in India can be broadly divided into statutory Works Committees (1948), Joint Management Councils (1958-59), Worker-Director Scheme (1971) and workers' association with management at shop councils at the shop/departmental level and joint councils at the enterprise level (1975) as a part of government 20-point programme.

The analysis of the foregoing two industrial Policy Resolution suggests that workers participation in management is low in India and that workers participation is directly influenced by socio-economic and political factors. It is hereby implied that there is a need for raising the rate of workers involvement by devising appropriate measures.

Chapter-V provides a lucid as well as systematic account of labour management relations in the public sector in India which have become much significant. Several factors contribute to it- the
important role assigned to the public sector in the process of development, the large investment in it and the hope that the public sector will function as a model employer. This chapter presents a scientific study of the culture of labour management relations which has been in practice since 1956. India is committed to achieving the goal of socialist pattern of society, is to have a mixed economy where both public and private sectors of industry are harmonized in such a way that each one may supplement the other. Public sector enterprises hold a promise to shoulder greater responsibilities than the public sector enterprises which are largely committed to the maximisation of profit rather than the social wellbeing.

The public sector is expected both by the private sector and the government to serve as a model employer. The Administrative Reforms Commission Report on public sector undertaking states that it is expected that public enterprises will conduct themselves in labour matters as model employers and in a manner that they may stand out as an example.
to private concerns. National Commission on Labour is of the view that the public should adhere to labour laws, have cordial labour management relations and evolve exemplary personnel policies, practices and procedures. The Fifth Five Year Plan states that in matters relating to industrial relations, public sector enterprises should strive to set example to the rest of the economy.

The notable feature in workers participation in public sector undertakings is through statutory works committees and other bipartite committees such as Emergency Production Committees and Safety Committees. In some of the public sector undertakings a Joint Management Council is also functioning. The possibility of further appointing workers' representatives on the Board of Directors of various public sector units is also being explored. A survey was conducted in 1970 by the Implementation and Evaluation Division of the Ministry of Labour and Employment of 205 public sector companies. It shows that nearly 46 per cent had formed works committees, 22 per cent had set up production committees and 42
per cent of the 205 units covered under study had Safety Committees. Various public sector enterprises have also got joint Management Councils. The number of them increase from 7 in 1958 to 47 in 1967 and so in 1980. So far in India workers' Participation on the Board has not been accepted except in case of nationalised banks, major ports and few public enterprises.

Chapter-VI concentrates on the application of the scheme of workers participation in management in HIL as it is one of the most important organisations where the scheme has got success. This discussion includes the different tripartite forums working in the HIL and how far the management and workers satisfied with the scheme of Joint consultation. The rationality of selecting H.I.L. highlights that HIL is a leading public enterprise which has a standing of 23 years, as a model employer. It has got sound industrial relations since its inception having one strong and stable trade union i.e. HIETU and another important reason has been the proximity of research avenue to the work place of the researcher.

The study used two sources, i.e. documentary and field, for the collection of data and information.
Documentary information was collected from both primary and secondary sources. For H.I.L. specially a questionnaire was used to gather the information on related aspects and questions were filled through personal interviews with LWO, PM and trade union leaders and workers.

H.I.L. has got Board of Directors, Personnel Department with other functional departments which perform their functions quite satisfactorily. Personnel department allows a clear communication between management and the workers. It is further devoted exclusively to the study of recruitment, selection, training, promotion, industrial relations, trade union, labour welfare, production incentive, schemes, grievance committee, working of the works committees and JMC at the unit. Workers are recruited through the employment exchanges. Contractors had not played any role in the recruitment.

Delhi being an industrial town, workers with the requisite skills are easily available. In the matter of promotion of workers, greater emphasis was laid down on merit-cum-seniority. A majority of workers at the unit considered that the training
Pertaining to the trade union, i.e., Hindustan Insecticides Employees Union (HIIEU), it is the only one union in the establishment which has got a strong support of its members and has got lesser politicalisation in its management and functioning. It is directly linked with INTUC which is a strong federation. This fulfills one of the conditions/conducive conditions of one union on industry for ushering the real sense of participation from the workers to different forums/participative forums such as in production incentive scheme, grievance committee, suggestion scheme. While examining the industrial relations aspect it has been observed that the unit had created conditions conducive to generated healthy relations between management, the employees and their union. In order to get full cooperation of workers a genuine participation of them is the management has been put by different participative forums and coworkers. Labour welfare activities are basically responsible for the healthy state of industrial relations in H.I.E. Grievances Committee is a strong body to iron out the grievances of workers in relation to wage payments, overtime.
transfer and production. No signs of alarming dissatisfaction against company, management and union was found. Notable feature is that there is no scope of inter-union rivalry and dominance of inside leadership.

The workers participation in decision making was mostly through bipartite committee with the objectives to facilitate communication between management and workers, to encourage production and to secure amity and good relations between management and workers. A noteworthy difference in the working of the bipartite committees in this unit (HIL) was that the representation on these committees were made by the recognised union (HIEU). Works Committee was a statutory body formed in 1956. It consisted of ten members, five each representing the management and the workers. It has got the principle of equal representation to reduce the communication gap between management and labour/workers. The functions of works committee in HIL were to suggest methods to improve work environment and to promote welfare facilities for the workers. There was no complaint by workers and trade union leaders about
non-implementation of the decisions taken by this Committee.

Joint Management Council (JMC) has established in HIL by an agreement between management and workers in 1959 and since its inception working more effectively and efficiently. All workers considered JMC useful and are well aware of its existence. The number of suggestions put forward by workers are accepted by the management. The study reveals that workers involvement in JMC was higher. Workers showed a high desire to participate in the decision making. Whereas managerial personnel favoured the idea of workers participation in the decision making. Their strong belief in the participative management was reflected in their desire that this forum should not only be continued but should also be strengthened. It was also interesting to find that management were positively pre-disposed to the idea of participative management.