

## **CHAPTER II**

## **INDUSTRIAL RELATIONS ENVIRONMENT AND WORK CULTURE**

### **A. INDUSTRIAL RELATIONS ENVIRONMENT**

Industrial Relation studies the relationship between employer and employee in paid employment: the ways in which employees are rewarded, motivated, trained and disciplined, together with the influences of these processes on the major institutions involved, namely, management's, trade unions and the State. In its wider connotation, Industrial Relation means the organization and practice of multi-pronged relationships between workers and management, unions and workers, and the unions and management in an industry. Dale Yoder defines it as a "whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of an industry."

Industrial Relations environment, therefore, is the resultant state of interaction amongst composite forces operating within and outside the organizations. The need for looking at Industrial Relations in a broader context has long been recognized in academic as well as business circles. While absence of strikes, lock-out, indiscipline, individual and collective grievances and restrictive practices have been attributed to existence of sound Industrial Relations system in an enterprise, these constitute however the negative indicators of Industrial Relations environment. The positive indicators of healthy relationship amongst various internal stakeholders in the organization ought to be productivity, morale, commitment, constructive discipline, and heightened sense of belongingness and identity with the vision and values of the organization amongst the employees.

### **Challenges**

Concerns for Industrial Relations cannot be limited to the maintenance of industrial harmony at enterprise level but also to the issues of socio-economic conditions prevailing in the country at the macro level. Industrial

Relations systems & practices therefore must be directed towards responding to major challenges surfacing in the new economic order. Healthy Industrial Relations cannot be maintained unless broader developmental issues are addressed. Some of the challenges impacting on Industrial Relations can be stated as follows:

- India figures at the bottom of the 10 newly industrialized countries in terms of the competitiveness of its human resources according to the World Competitiveness Report (IMD & WEF, 1990). The World Competitiveness Report examines the competitive advantage of human resources on the basis of skills, motivation, flexibility, age structure and health of the people. The criteria included in this factor are: population, employment, vocational training, public expenditure on education, management quality, income levels and health factors.
- India's rank is one of the lowest - 134 out of a total of 160 countries in terms of Human Development according to the 1992 UNDP Report on Human Development. The index takes into account 3 parameters, i.e. longevity (life expectancy), knowledge (adult literacy) and decent standard of living (per capital income).
- India scored 14 points and obtained medium freedom ranking (11-30 points) in terms of Human Freedoms Index(UNDP, 1992), covering 40 indicators of freedom to exercise choices in cultural, social, economic and political affairs. (Venkatratnam, 1994)
- Although there has been significant reduction in the proportion of people below poverty line, the magnitude is still very large. As compared to many developing countries, India's performance in terms of human resources is not satisfactory. Although the literacy rate has increased to 52% in 1991, the number of illiterates has increased from 301.9 million in 1981 to 328.9 million in 1991. (Patil, 2000)

- The productivity of our workforce in comparison to international standards is very low. All these call for vigorous effort on all the social partners, as many challenges have emerged in the wake of globalization and new institutional order. We have to accordingly reorient our strategies and evolve institutions in the wake of development.

### **The Current Industrial Relations Scenario**

The number of strikes during the calendar year 2000 registered a decline of 35.2% as compared to 1999. The number of lockouts also decreased by 20.9% in 2000 as compared to 1999. The decrease was more prominent in the public sector and in the central sphere. The private sector and the state sphere, on the other hand, witnessed a lower decline in the number of strikes and lockouts. There was a marginal decline in number of workers affected as a result of strikes and lockouts in the central sphere and the public sector. However the private and the state sphere witnessed a more notable decline in workers involvement in strikes and lockouts during 2000 as compared with 1999. At the aggregate level whereas number of workers involved in strikes declined the number of workers affected by lockouts increased between 1999 and 2000. Details are given in the tables 2.1 & 2.3.

The current year has seen a significant improvement in industrial relations. The number of strikes and lockouts and more importantly the number of workers affected due to these disturbances has shown a significant decline. During January-September, 2001, the number of strikes and lockouts declined by 16.6% and 8% respectively as compared to the same period in the previous year. The decline in the number of workers involved in the unrest by 32% has been extremely significant as compared to that of the previous year.

Man-days lost is a direct measure of the impact of industrial unrest on the workmen. At the aggregate level, man days lost due to strikes and lockouts has shown a significant increase of about 29% in January – September, 2001 as compared to the same period in the previous year. Much of the increase in the man-days lost has been due to a sharp rise in lockouts as compared to a very slight rise in strikes.

Matters relating to indiscipline, violence, personnel matters , non-payment of wages and salaries etc. were reported as the major causes for man days lost due to strikes and lockouts.

The number of strikes and lockouts, workers involved and man days lost are given in tables 2.2 & 2.3. A declining trend is observed in the number of strikes and lockouts since 1991. This decline has been made possible partly because of the Government's proactive role through timely and effective conciliation. Involvement of social partners in the tripartite fora improved Human Relation practices and better cooperation between workers and management could have also contributed to this trend. The declining trend in number of strikes and lockouts repeated in regard to workers affected and man days lost as a result of strikes and lockouts. There was spurt in workers affected and man days lost during 1999 as compared with 2000.

### **Closure**

The number of units effecting closure decreased from 159 to 138 between 1999 and 2000, and the workers affected due to closure also declined from 15707 to 4461 during this period.

### **Lay Off**

The total number of units effecting lay off declined from 239 during 1999 to 208 in 2000. The workers laid off also declined from 33710 to 29391 during

the same period. The State sphere continued to report more number of layoffs in comparison with the Central sphere.

**Retrenchment**

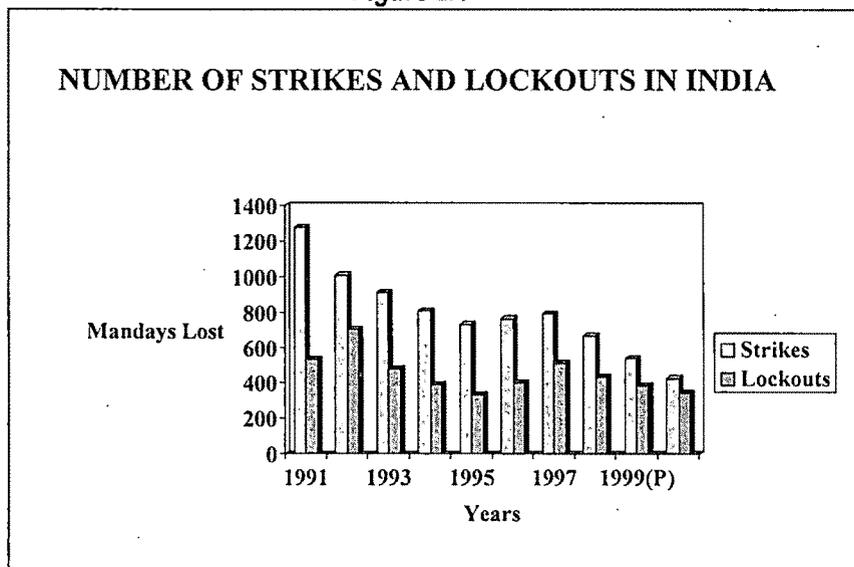
The number of units reporting retrenchment declined from 176 during 1999 to 109 during 2000 while the workers retrenched increased from 2503 to 2963 during the same period.

**Table 2.1**  
**Number of Strikes and Lockouts during 1991-2000**

YEAR	CENTRAL SPHERE	STATE SPHERE	PUBLIC SECTOR	PRIVATE SECTOR	STRIKES	LOCKOUTS	TOTAL
1991 ✓	517	1293	653	1157	1278	532	1810
1992	514	1200	617	1097	1011	703	1714
1993	272	1121	359	1034	914	479	1393
1994	249	952	316	885	808	393	1201
1995	285	781	343	723	732	334	1066
1996	316	850	381	785	763	403	1166
1997	384	921	448	857	793	512	1305
1998	231	866	283	814	665	432	1097
1999(P)	129	798	165	762	540	387	927
2000(P)	109	662	125	646	426	345	771
2001(P) Jan-Sept	69	374	82	361	<u>221</u>	<u>222</u>	443

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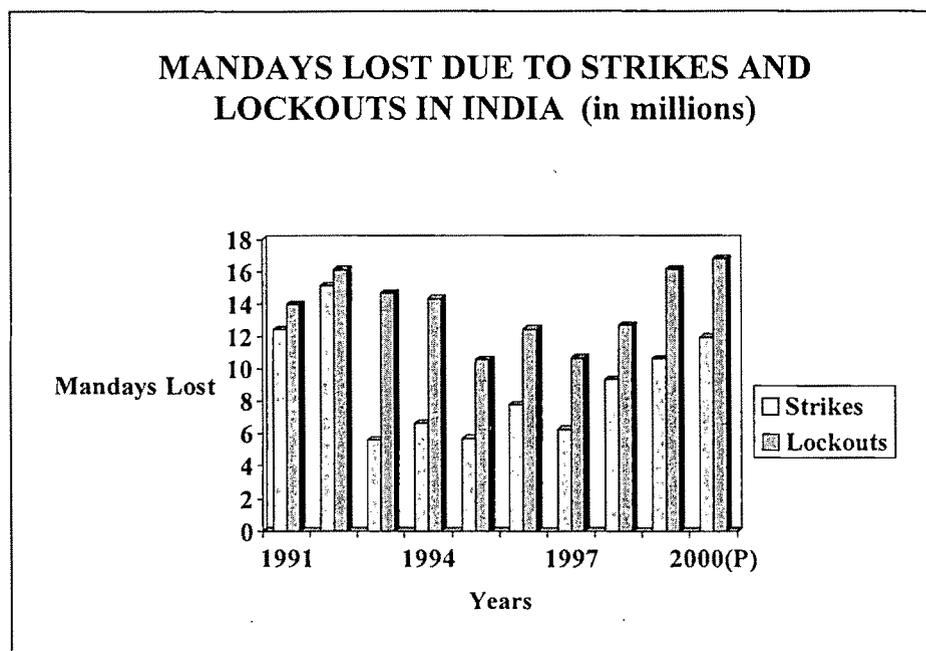
**Figure 2.1**



**Table 2.2**  
**Mandays Lost Due to Strikes and Lockouts**

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999(P)	2000(P)
Strikes	12.43	15.13	5.61	6.65	5.72	7.82	6.3	9.35	10.62	11.96
Lockouts	14	16.13	14.69	14.33	10.57	12.47	10.68	12.71	16.16	16.8

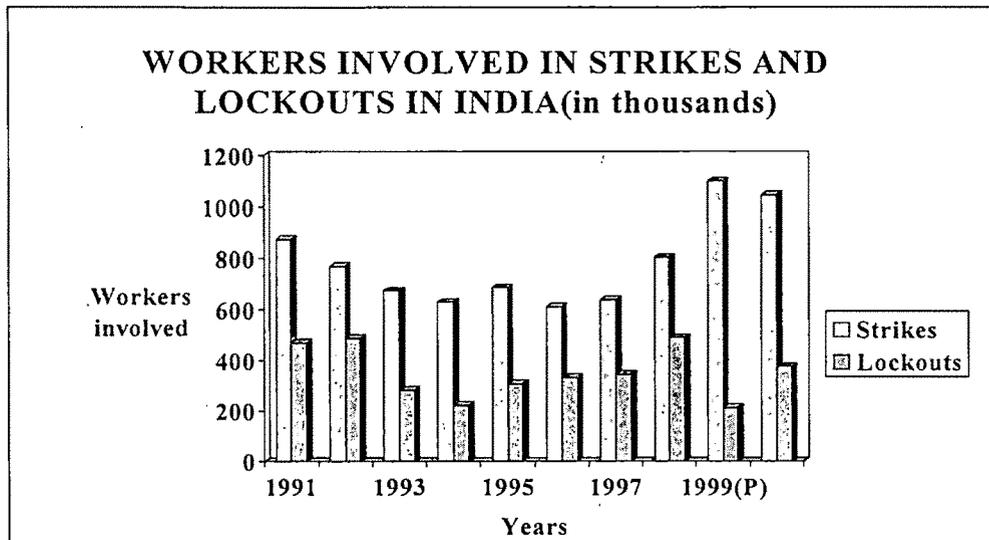
**Figure 2.2**



**Table 2.3**  
**Workers involved in Strikes and Lockouts**

Year	1991	1992	1993	1994	1995	1996	1997	1998	1999(P)	2000(P)
Strikes	872	767	672	626	683	609	637	801	1099	1044
Lockouts	470	485	282	220	307	331	344	488	212	374

Figure 2.3



(P): Provisional

Source: Labour Bureau, Shimla, Annual Report (2000-01) the Ministry of Labour, GOI, p.31.

### The Changed Business Scenario & Industrial Relations

The Indian Government in 1991 introduced the New Industrial Policy which was followed by a large number of trade-related policies; these policies have reduced the role of the state and have led to unprecedented changes in the labour management relations. Increase in services, emergence of the white-collar workers and new forms of employment, development of non-union enterprises, development in technology and adoption of new techniques in manufacturing, has considerably reduced the importance of trade unions and their bargaining power.

### Changing Nature of Work

In terms of work itself, the term 'workers' seems increasingly inappropriate. "In the more modern and technologically sophisticated industries, the workers watch panels, push buttons, pull levers and turn a valve or two. Process industry pays them to exercise discretion, not to flex muscle. Their work is becoming increasingly difficult to distinguish from that of supervisors

and lower managers. It is no wonder that process industry does not employ workers any longer. It employs operators and technicians.” (Ramaswamy, 1988)

### **Changing Profile of Workers**

A social wave is sweeping across our country. The declining power of trade unions, improving pay packets, the willingness of managements to accommodate conflicting interests, the growing stature of workers in society, their increased levels of education and the emergence of process industry which has changed the very definition of work, have together caused a revolution of perception and aspiration.

The social profile of industrial workers is changing rapidly. Unlike in the early years of our Independence, not many come from a background of hardship and deprivation. Workers in the organized sector earn well and like to live well. Their aspirations for their children are no different from those of the middle class. Their eyes are set on upward mobility.

Within industry itself, workers are pushing towards status equality. With a changing social profile, workers are becoming more assertive with their union bosses. They are also demanding more egalitarian treatment at the workplace.

- Executive dining rooms are giving way to common canteens.  
There is growing demand that managers-at least those who are compensated in some form for extra hours-should punch the clock
- The reluctance to perform lowly jobs
- The search for fancy status-giving designations, these days, we have ‘security guards’ and ‘sanitary staff’ in place of chowkidars and sweepers.
- The desire for promotion as supervisor or officer even on lower pay

On a superficial plane, our organizations are moving rapidly towards status equality. Hidden beneath the surface, however, are class distinctions, which manifest themselves in everyday relations and behaviour. (Ramaswamy, 1988)

The changes in the emerging international and national business environment, challenges of technological changes leading to redundancy of workforce, change in quality of workforce, spell out a new role for the trade unions, the management and the Government. The direction of change in the economy towards free market, places new demands on the internal and external stakeholders of the organization and necessitates the creation of a new Industrial Relations environment.

### **Role of the State**

In no other industrial nation does the government play such a dominant role in labour management relations. Elsewhere, government's role is limited to setting the rules of the game and overseeing the industrial relationship, except when vital national interests are threatened. (Ramaswamy 1988)

It has often been argued that the legislative measures taken in India to protect the workers are excessive. They have been held responsible for slowing down the growth of employment by discouraging investment and growth. We should give serious thought to the appropriate institutions and legal framework, which the country needs in the wake of the fast changing economic environment-both domestic and international. The major challenge before our policy makers and planners is how to achieve efficiency and higher productivity while providing adequate social security measures to the workers.

All the social partners are equally responsible for ensuring that industrial peace is maintained. While this is a collective responsibility the government has taken some initiatives to maintain industrial peace. It is taking steps to

ensure that there is greater participation of workers in the management and that industrial disputes are resolved in a bipartite forum .It has also been convening tripartite meetings to consider the views of all the social partners on important policy matters. The conciliation machinery is also being strengthened and the number of strikes have been averted due to timely intervention of the government thus saving a considerable loss to the nation in terms of employment, production and wages.

The legislative framework governing industrial relations has proved itself too archaic to meet the requirements of a sheltered economy, let alone the vibrant and competitive one we hope to build in the years to come.

- The **Trade Union Act** goes back to 1926 when workers were too fearful to stand up to their employers. The law aimed to encourage mobilization by allowing a mere handful of workers to combine under the leadership of non-employees whom the employers could not bully. Whatever the early benefits, few today would deny that this legislation has played havoc by fragmenting the labour movement and handing over its leadership to outsiders.
- The **Industrial Disputes Act**, with its emphasis on state mediation and indifference to voluntary effort, is just as obsolete, dating back to the Second World War when the British promulgated it to meet wartime exigencies. This law has, at its most efficient provided a method of resolving disputes although not of improving relationships and at the least, an excuse for governments to meddle with Industrial Relations, often to suit the sectarian purpose of the party in power.

Finally the laws governing employment security, have achieved the exact opposite of what they were supposed to, they have made labour into such an inflexible and unproductive resource that capital has embarked on the search for alternatives.

We have the Industrial Relations system of a society struggling to shake off the colonial heritage, not of one, which aspires to be a modern industrial power. There is a long journey ahead, but it cannot begin with any seriousness unless the government musters enough courage to revamp outdated laws and create more facilitating environment.

### **Role of Management**

In the overall context of the managements' efforts towards developing new paradigm organizations, its specific role would be as follows:

- Accept the legitimacy of trade union's
- Make structural changes in the organization
- Decentralize decision-making
- Consensus decision making through participatory forums
- Usher in attitudinal change through training and education of workmen and their leaders
- Retrain, re-deploy
- Strengthen participatory forums
- Improve Quality of Work Life
- Provide for social security, superannuating schemes, good working condition etc.
- Develop shared vision

### **Trade Union Response**

Since the 1980's unions have been resorting more frequently to tactics like work-to-rule (when work comes to a grinding halt with a strike) go-slow etc. so that they do not have to lose wages in the normal course. Thus covert methods are becoming more popular.

## **B. TRADE UNIONS IN INDIA**

### **Historical Perspective**

Trade unions in India as compared to other industrial countries emerged slowly towards the last quarter of the nineteenth century. The first union to be formed in India was the Bombay Mill Hand Association in 1880 by Shri N.M. Lokhande, father of the Indian trade union movement.

The formation of International Labour Organization in 1919 and the principle of tripartism requiring representation of labour of member countries led to the establishment of All India Trade Union Congress (AITUC), in 1920. The formation of AITUC, set the stage for the growth of trade unions in the country and by the year 1924 there were 167 trade unions in India. This forced the Government to provide civil and criminal immunities to trade unions for their legitimate activities and their registration, the Trade Unions Act (1926) was thus enacted.

During pre-independence period trade union movement in India remained by and large united but in independent India with the industrial scenario in the country becoming very complex and the formation of National Trade Union Congress in 1947 the Trade Union Movement underwent a period of relatively permanent splits which has resulted in the formation of a number of Central Trade Union Organizations.

The role of the trade union movement in India's progress towards prosperity is of considerable significance. It has helped in improving the lot of workers in the post Independence era. However, its role in raising the level of productivity and promoting the growth of the economy is less clearly understood. A view has been expressed that, compared with their non-unionized counterparts, unionized workers have more of a 'voice' at the work-place and because of this, they enjoy better conditions, have a higher morale and are better motivated. This in turn leads to higher productivity in

unionized industries. However, other analysts of the Role of Trade Unions have expressed a contrary view. (Ramanujam 1986)

### **Trade Unions Today**

Trade Union as a movement in India has closely followed the pattern of political developments in the country characterized by multiplicity of unions, intra and inter-union rivalries both at regional as well as national level. Professionalisation of trade unions in India still remains a far-fetched dream.

The multiplicity of unions is a characteristic feature of the India Trade Union Movement. (Ramanujam, 1986) The number of registered trade union's has grown from about 15,000 in 1966 to over 47,000 in 1987 (Venkataratnam, 1994). According to Mr Ramanujam, "it is unfortunate, that in our country, we have multiple trade unions operating in most plants. Trade Union's are a symbol of unity, but that symbol itself is utilized to disunite them. Workers must, therefore, first learn their elementary lesson of unity."

The World Labour Report (ILO), 1992, p.64) has aptly described the trade union situation in the country in the early 1990s:

"Indian unions are too very fragmented. In many workplaces several trade unions compete for the loyalty of the same body of workers and their rivalry is usually bitter and sometimes violent. It is difficult even to say how many trade unions operate at the national level since many are not affiliated to any all-India federation. The early splits in Indian trade unionism tended to be on ideological grounds each linked to a particular political party. Much of the recent fragmentation, however, has centered on personalities and occasionally on caste or regional considerations."

Intra-union and inter-union rivalry has resulted in fragmented labour movement catering to barely 20 per cent of the total employed manpower in the country leading to limited option. Even after 53 years of independence,

majority of labour remains unorganized, child labour is a common phenomenon, bonded labour is yet to be abolished, widespread oppression of women labour remains a reality and feudalistic mode of production defies all logic of professionalism. The working class and their representatives therefore have a long road to travel to realize the cherished dream of collective unity.

The trade unions have begun to feel the effect of socio economic environment in which they exist. Lack of consciousness amongst the leadership as also the workmen, coupled with the economic compulsions, have made the rank and file materialistic in their outlook. (Mamakottam 1982, Iyer 1989, Sadri 1994 )

The rising consumerism and materialistic pursuits have brought about distortions in the trade union functions. Their major concerns center around bridging the gap between rise in the consumer price index and the basic wage. The work related issues are also negotiated and settled for monetary benefits such as incentives, overtime etc. In some organizations, workers and the unions fight for gaining control over the production process in return for enhanced benefits. The managerial prerogatives and right to manage is seldom questioned.

Despite the fragmented nature of movement, national trade unions their affiliates as also regional and local unions have made remarkable progress in protecting the rights of workmen, providing job security, improving their wages and working conditions. Unions in large number of public and private enterprises have become a strong force to reckon with and have significantly influenced decisions of the management in different areas. Trade unions have also been able to exercise their legitimate influence in the government and contributed towards enactment of several Acts to further the interests of their primary constituents.

As the trade unions were primarily concerned with protecting and furthering the interest of workmen, their role was perceived as adversarial by the management. The union management relationship in most enterprises was far from cordial, as the unions did not meet the expectations of management in creating a climate conducive to improving the effectiveness of organizations.

In most cases the consumers were at the receiving end of the conflicting relationship between the management and the union. The general public opinion of trade unions in recent times is negative; they are viewed as reactive militant organizations, resisting changes, thereby impeding modernization and progress by their general absence of commitment to work undesirable behaviour and unreasonable demands on employers. (Seth 1993)

### **Emerging Role of Trade Unions and Work Culture**

It is recognized that the role of trade unions is vital for ushering in social change in the society in general and work culture in the organization in particular thereby leading to better quality of life and improved productivity.

According to the Trade Unions Act 1926, the primary functions of trade unions are that they must work to protect and promote the interest of the workers and conditions of their employment. The role of trade unions varies depending upon the social development of each country, strength of unions- both organizational, financial and also the institutional set up of the society in which they operate. (Ahuja,1988).

The role of trade unions in India has undergone a series of changes through time to reflect the major concerns of the organized sector of economy, direction and pace of economic development, ground realities of politicized multiple unions at local and national level and the adversarial relationship between labour and management.

Some of the **new spheres of activities** in different areas, as recommended by INTUC leader Shri Ramanujam (1986) which will have a positive impact on work culture of the organization are summarized as below:

- **Addressing the problems of the workers**

They should enable workers to give up drinking, smoking and gambling. Trade Unions should teach them positive aspects of a clean and healthy life. Teach them to live within their own means and if possible, develop the savings habit.

- **Social evil & weaker sections of society**

Trade Unions should come forward to eliminate social evil such as the dowry system. Trade Unions should have special programmes for women workers, young workers and handicapped workers.

- **Organizing cooperative institutions**

They should embark on organizing cooperative institutions for housing, consumer stores, credit, etc. They should run their own educational, cultural and recreational programmes.

- **Prepare workers for their future role**

They should also prepare workers for their future role of participation as partners in the management of industries.

National Commission on Labour also echoes similar views while recommending that the trade unions in our country should pay greater attention to the following important functions:

- To secure fair wages for workers
- To enlarge opportunities for promotion and training
- To promote individual and collective well being
- To promote identity of interest of the workers

- To broaden the understanding of workers and facilitate technological advancement
- To become instruments for constructive purposes such as promotion of national integration, influencing socio economic policies of the community through active participation etc.

Achievement of these objectives by the Trade Unions will certainly go a long way in bringing about a sea change in the attitude of workers and help developing a responsive work culture.

### **Role of Trade Unions in improving Work Culture in Changing Business Scenario**

The emergent paradigm in the world of work has its implications for trade unions.

#### **Enlarged Domain**

In a globalized borderless economic order, the domain of interaction and influence of the trade union's is constantly being enlarged, the implications of policies formulated by World Bank, IMF & WTO as also of other developed countries would need to be incorporated in the agenda of trade union's.

#### **Purposeful System**

Trade Union's irrespective of their ideologies and field of activity will need to cooperate to serve the legitimate goals and serve the larger purposes of the society.

Traditional arena will continue to have legitimacy however in the wake of reduced bargaining power sectarian interests will have to be seen in the larger social context of new economic reality, there will be therefore shift towards integrative productivity based agreements within the framework of vision and values of the organization. Joint problem-solving approach

based on interest optimization will replace the instrument of bargaining. Wages, employment security, conditions of work, welfare, collective grievances, superannuating schemes and the like will have to be decided in collaborative mode based on mutual trust with a view to maintaining competitive edge of the enterprise competitive viability.

### **Enterprise Viability**

Trade Union's, as a strategic business partner will have to re-direct its efforts for ensuring viability of enterprises in a competitive environment. As such legal and administrative approaches to union- management relationship will need to be replaced by normative orientation with focus on collaborative approach to achievement of overall purposes of the organization. Commonality of purpose, shared vision and values between the management and the unions will be a necessary condition for ensuring synergistic contribution towards creating a work culture of excellence.

Mutually agreed norms between management and union will provide the basic framework within which conflict of interest will be resolved. The conventional method of conflict resolution through distributive bargaining will have to be replaced by joint problem solving and decision-making based on mutual trust and unified purpose.

Adjustment with human face involves many policy components (Hoeven 1991) **Trade Unions have a positive role** in influencing the decision-making and implementation with respect to each of the major policy components that Hoeven suggests:

- Trade unions need to develop database and analytical skills to influence the government and employers in the formulation of effective "*sectoral policies* aimed at restructuring within the productive sector to strengthen employment and income-generating activities and raise productivity of

low-income activities, focusing in particular on small farmers and informal sector producers in industry and services.”

- Trade unions need to objectively analyze and determine “the impact of policies towards taxation, government expenditure, foreign exchange, and credit (among others) on the distribution of income and resources” with a view to secure the political use of resources to fulfill the needs of vulnerable groups.
- Trade unions should come up with pragmatic action plans to “improving the equity and efficiency of social sector spending by restructuring public expenditure both between and within sectors (in particular, away from high-cost areas and towards low-cost basic services), by improving the targeting of interventions and their cost effectiveness.”
- Trade unions should draw up implementable compensatory programmes, for limited periods, with due consideration for the resources that can be generated or made available to minimize/avert the hardship to the affected persons and to vulnerable groups with respect to education, retraining, health, nutrition, etc.
- Trade unions should monitor the *human situation*, especially of living standards, etc., of not only their members but also of poor, with regard to health, nutrition, etc.
- “Adjustment policies should form an integral part of a longer term vision and development strategy and, as such, take into account economic, human, sociological and ecological contexts.” Such national policies require the popular support of all social actors including the trade unions. Trade unions should influence and be willing to be influenced to put in place desirable and feasible policies.

### **Educated & Enlightened Workforce**

Emphasizing the need for a educated workforce in improving the work culture and IR climate of the organization, Mr. Ramanujam (1986) writes “Workers education assumes crucial importance in preparing them to participate in the affairs to the industry, to understand their obligations (and not merely their rights). “This is possible if workers are not merely literate but are also enabled to understand the intricacies of the economics of industry, the utility of the trade union movement, the rights and obligations of a citizen in a democracy as well as the workers role and responsibility in the industry and society as a whole, “. Education should, therefore, inform them as to how labour and their trade unions should conduct themselves. The new direction would lie in making workers give up their sectional approach and adopt a total approach, he reiterates. Thus trade unions have plenty of constructive work to do, they should not remain satisfied with being mere instruments of agitation. They should be dynamic and continuously on the move. (Ramanujan,1986)

Ramanujam expresses responsibility of workers and trade unions most effectively, he tells us that “just as the housewife feeds the family first and herself sits for the meal after all the others have eaten, so should workers serve the larger interest of the enterprise and society before thinking of their share of the cake.”

As a social institution of import, the Trade Unions must develop a Work Culture within their own organization conducive to enhancing the commitment of their members towards the larger interest of the corporation as also of the society.

These are the necessary conditions enabling Trade Unions make positive contribution towards developing responsive Work Culture.

### C. Industrial Relations Environment & Work Culture

It is evident that without a work culture of excellence the organizations in India will not be able to develop, healthy Industrial Relations, a pre requisite to providing competitive edge in global market place. There is inevitably interactive relationship between Industrial Relations and Work Culture.

The structural adjustment policy adopted by India and its struggle to gain competitive edge in the global economic order envisages a strong commitment and change in the outlook thinking and attitude, of its people. Attitude change presupposes change in work culture. It has been increasingly realized that human resource is the most important resource for any economy to thrive and prosper. India fortunately has an edge in terms of skilled and competent manpower and the cost of manpower is low as compared to many other industrially developed countries. But, we have failed to utilize this resource productively; Indian labour is characterized by the lack of productivity, discipline and a work culture, which believes, in job security without any concomitant responsibility.

Responsive Work Culture is reflected in continuous improvement in productivity, quality, innovation and growth; legitimate areas of concern for both management and labour.

In India work has been accorded a sacred place in the scriptures. However, over the years there has been an erosion of the values and it is often argued that Indian worker today lacks a positive work culture. The worker more often is blamed for this (Sodhi, 1999). The workers on the other hand blame the management for its high-handedness, unhealthy practices and hostile attitude towards labour. Attitudinal change is thus imperative to enable organizations to adapt to the competitive environment, which can come about only gradually through sustained co-operation and concerted efforts between the three social partners - the Government, the employers and the employees.

A mutually productive healthy and collaborative relationship amongst the various actors is a necessary condition for developing and strengthening positive work culture. In India, the environmental changes have necessitated a change in the work culture of both private and public sector organizations. This has been the major issue on which Industrial Relations and HR endeavours have been directed towards.

The reasons for the absence of Responsive Work Culture in Indian companies have been attributed to various factors like management policies and practices based on command and control, non-cooperative and narrow approach of trade unions, negative attitude and lack of work ethic of workers and above all the avoidable interference from the administrative, legal and judicial processes.

While there has been tendency to apportion blame to each other, the fact remains that the work culture is the result of combination of all these factors and therefore will necessitate corresponding changes in the attitudes, policies and practices. The initiative to develop a positive work culture has in normal circumstances to come from the management particularly the top management; the significance of providing support from other quarters cannot be ignored. (Joshi 1994, Ramaswamy 1997, J S Sodhi 1999)

### **Employee Participation in Management**

Need for trade unions to get involved in developing organizational culture conducive to continuous improvement in productivity, quality, cost and similar performance parameters have long been realized. The legitimate concern of trade union's to enhance the Quality of Work Life of its members by providing them with the autonomy; discretion, self-control and involvement in decision-making process cannot be under emphasized. The twin objectives have been sought to be achieved through developing appropriate participative mechanisms aimed at establishing linkage between the needs of employees and the goals pursued by the organization.

It was within this context that Government of India in consultation with employers, trade union's and other stakeholders, took initiative in introducing a wide variety of workers participation schemes either through legislation or through directives. Before the details of these schemes and their impact on work culture are discussed it will be worthwhile to present the conceptual framework of employees' participation in management.

### Conceptual Framework of Employees' Participation

There are at least four types of participation that can be developed at enterprise level so as to provide opportunities to all levels of employees to get involved in issues and areas that affect their work and lives. These can be categorized as: information sharing, consultative, joint decision-making and self-managing groups (Table 2.4)

**Table 2.4**  
**Different Types of Participation**

	Type	Level	Means	Scope
IS	Information sharing	All levels	Communication meetings, newsletter suggestion scheme, etc.	Information about policies, changes, etc.
C	Consultation	Enterprise/ plant Shop-floor level	Works Committees, shop-floor, plant councils, joint management councils, etc.	Work, working conditions and welfare
JDM	Joint decision making	Board/plant/ shop level	Representation at board, plant and shop level decision-making bodies	Work-related issues
SM	Self-management	Enterprise-wide	Same as above	All strategic, policy and operational issues

Source: Srivastava, B.K. and Venkataratnam, C.S. (1991), *Personnel/Human Resource Management: Text and Cases*; Co-author, Tata McGraw Hill, New Delhi: 1991.

**Scope of the Forums** clearly reflects the concern for using participation as a mechanism for developing a culture of continuous improvement for productivity, quality of products processes & services as also in relationships shared concern for social & environmental issues between the management & workmen representatives. It is an attempt towards treating employees & their representatives as business partners.

### **Impact of Participation on Work Culture**

1. Participative forums are required to address work related issues only. The conflict management strategy to be used has to be collaborative in nature based on open sharing of information and joint search of solutions on issues of common concern to employees and management. In the study of 8 organizations where both collective bargaining and participative management were functioning, Virmani (2000) found that the participative structures existed only on paper and were not perceived as real decision-making forums both by the employees and the management. By implication therefore, the collective bargaining forums were considered to be main instruments of decision-making on important issues. It often therefore becomes difficult to make participative forum an effective instrument of developing culture of work commitment.
  
2. More often than not the same employees are the members of the collective bargaining as well as participative forum requiring them to play contradictory role. Non-resolution of this contradiction leads to degeneration of the participatory forum as another instrument of collective bargaining thus defeating the very purpose for which they were constituted. As the participatory forums are not perceived as contributor to resolving work related issues, they are primarily used for discussing minor issues, grievances and complaints of in consequential nature. Both management and the employee nominees therefore tend to lose interest and faith in the efficacy of these forums. Joint problem solving orientation is replaced by distributive bargaining based on power dynamics.

In general therefore it can be said that participative schemes adopted by Indian Organizations have not made significant contribution to developing a work culture of commitment to the desired level.