CHAPTER 7

Epilogue: Summary of Findings and Policy Recommendations

7.1 Participative Management in a Nutshell

Participative management is now a reality all over the world. An industrial organisation can properly be termed as a social world in miniature embracing within itself the association of divergent interests that create industrial relationships. Apart from the economic functions of production and employment, this association affects the economic, social, and political life of the whole community also. India is now on the threshold of industrial and economic development. The industrial development is possible only through effective and efficient management of human resources in the country. The workers will extend unreserved cooperation only when they are socially and psychologically involved in the entire process of management. In India, the largest democracy in the world, one of the proclaimed policies of the government, has been to promote labour participation in the management of industrial establishments.
There was a time when workers were treated like slaves. They used to work in the industry without any economic or political right, not to speak of any industrial democracy at the workplace. But now this kind of attitude has been changed. A worker is not a feudal slave, and that he has a human brain, is now fully understood. A worker is not only a means of production but is a human being with a personality having a sense of responsibility towards the industry and nation. He wants to satisfy his feelings, emotions and aspirations through the instrumentality of work. He spends major part of his time at workplace, so it is quite natural for him to expect participation in the affairs of the industry.

Participative management is a system of creating opportunities under suitable conditions for the workers to influence decisions of management. It is a style and process of management which provides a mode of social co-operation between labour and capital. In this way, workers and management, both are placed on equal footing and the former do have the equal rights and responsibilities in the industry. With the increasing emphasis on democratic practices in every sphere of life, the concept of participative management has received an unquestionable importance in the field of industrial relations. The extension of organizational responsibility to the human instrumentality which served the industrial organisation as worker or employee has widely expanded the horizons of industrial philosophy in India. The emerging trends in the Indian industrial philosophy are towards a greater realisation of the fact that for the perfect attainment of industrial socialism, it is of utmost importance to have the wholehearted co-operation of human factor which is employed as worker in an industry.

7.2 PISoolip- Determinants of Effectiveness of Participation

Effectiveness of participative management depends on a series of factors which are interlinked, interwoven, and interdependent. At the same time, it is known that there are wide gaps in the knowledge and understanding, particularly of the factors which facilitate or hinder the process of meaningful participation of workers in management.

A large volume of effectiveness of participative management in the industrial sector is
not a development in a day or two. Continuous and considerable effort on the part of the government, management, union, and workers over a long period of time shall lead to a significant measure of effectiveness. Initiatives on the part of the stakeholders to improve Productivity, Industrial relations, Social commitment of the Organisation, Organisational effectiveness, Organisation culture and development, Labour welfare and compensation, Industrial discipline, and Professional development of the labour will serve the purpose of attaining a high degree of effectiveness of participative management in the industrial sector.

7.3 Purposes Served by the Study

The present research work entitled ‘Effectiveness of Participative Management in the Industrial Sector of Kerala’ has been undertaken with certain specific objectives which are reiterated below:

1. To study the origin and development of the concept of participative management;

2. To examine the different participative management practices operationalised in India and abroad;

3. To determine the factors those contribute towards the effectiveness of participative management in the particular context of Kerala;

4. To examine the relationship between the nature of ownership of an industrial organisation and the effectiveness of participative management;

5. To study whether there is any significant difference between the manufacturing and service sector industries as far as the effectiveness of participative management is concerned;

6. To study whether there is any relationship between the total number of employees of an industrial organisation and the volume and extend of participative management there;
7. To take stock of the attitude and receptiveness of the managerial and non-managerial personnel towards participative management;

8. To discover the state of professional development among workers and managers in the industrial sector of Kerala; and

9. To put forward policy suggestions to improve the effectiveness of participative management in the industrial sector of Kerala.

### 7.4 Hypotheses- The Facilitators

The tentative solutions that guided the researcher in making the enquiry are reproduced below.

1. Participative management practices differ according to the nature of ownership of the industrial units;

2. The service sector industries effectively implement participative management practices when compared to manufacturing industries;

3. Participative management practices in the Group I industries and the Group II industries differ significantly;

4. Factors determining the effectiveness of participative management work more effectively among the managerial staff when compared to non-managerial staff; and

5. A low level of professional development among managers and workers will adversely affect the effectiveness of participative management.

### 7.5 A Glimpse on the Methodology of the Study

The study on 'effectiveness of participative management in the industrial sector of Kerala' has been carried out using a unique methodology. 28 industrial establishments served as the sample industrial units and are selected on the basis of purposive sampling method.
576 sample respondents selected on the basis of stratified random sampling method from among the sample industrial units have constituted the sample frame of the study. Relevant information have been obtained from the informants through the execution of a structured questionnaire.

The study attains a pioneering status due to the adoption of an innovative method- 'PISOOLIP': which provided a platform for identification of the determinants of the effectiveness of participative management in the industrial sector of Kerala. It is not the width of the different tools of participation enquired into rather the depth of the operationalisation of the real philosophy of participative management measured by means of PISOOLIP.

Statistical tools and techniques such as Ratios and Percentages, Tables, Diagrams, and Graphs, Averages, Standard deviation, Standard error, Coefficient of variation, Profile Analysis, Correlation, Estimation, Z-test, t-test, Chi-square test, ANOVA and F-test, Exploratory factor analysis, and Tukey’s HSD test have been employed to analyse the data and to arrive at meaningful conclusions.

7.6 Position of Hypotheses after Testing of Validity

Analysis of primary data in Chapter 6 has helped to make some inference about the status of hypotheses. Following is the summary with regard to the position of hypotheses after their validity being tested.

First Hypothesis:

\[ H_0: \text{Participative management in the Central public sector, State public sector, Private sector, and Co-operative sector industrial units are equally effective.} \]

Vs

\[ H_1: \text{Participative management practices differ according to the nature of ownership of the industrial units.} \]
Position

On the basis of the tables, Table 6.11 to Table 6.17, it is evident that there exist unequal participative management practices in the Central public sector, State public sector, Private sector, and Co-operative sector industrial units. Each sector has got its own practices which are different from other sectors. Further, it has been established that the Central public sector industrial units are superior to the other three sectors in the matter of effectiveness of participative management. Private sector industrial units come in the second position, followed by the State public sector industrial units. The sector where participative management is least effective is the case of Co-operative sector industrial units.

Hence, the null hypothesis $H_0$ is rejected and the alternate hypothesis $H_1$ is accepted.

Second Hypothesis:

$H_0$: Participative management in manufacturing industries and service industries are equally effective.

Vs

$H_1$: Service industries effectively implement participative management practices when compared to manufacturing industries.

Position

On the basis of the tables, Table 6.18 to Table 6.29, it is established that there is significant difference between the manufacturing industries and service industries in the matter of effectiveness of participative management and also that the service industries are better when compared to manufacturing industries. Such a superiority of the service industries exists with respect to each determinant of the effectiveness of participative management. Similarly, in all the four sectors, namely, Central public sector, State public sector, Private sector, and Co-operative sector industrial units, the effectiveness of service industries outperform that of manufacturing industries.
Hence, the null hypothesis $H_0$ is rejected and the alternate hypothesis $H_1$ is accepted.

**Third Hypothesis:**

$H_0$: Participative management practices in Group I industries and Group II industries are equally effective.

Vs

$H_1$: Participative management practices in Group I industries and Group II industries differ significantly.

**Position**

On the basis of the tables, Table 6.30 to Table 6.42, it is evident that there is no significant difference between Group I industries and Group II industries in their effectiveness of participative management practices. When the effectiveness is studied with reference to the nature of ownership of the industrial units, Group I industries outperform Group II industries in the case of Central public sector and Private sector units. But Group II industries are better when compared to Group I industries in the case of State public sector and Co-operative sector units.

Hence, the null hypothesis $H_0$ stands accepted.

**Fourth Hypothesis:**

$H_0$: There is no difference in the attitude of managerial staff and non-managerial staff towards participative management and PISPOOLIP work as good among managerial staff as in the case of non-managerial staff.

Vs

$H_1$: Factors determining the effectiveness of participative management work more effectively among the managerial staff when compared to non-managerial staff.
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**Position**

On the basis of the tables, Table 6.43 to Table 6.54, it is established that the determinants of effectiveness of participative management as indicated by ‘PISOOLIP’ work well among the managerial staff when compared to the non-managerial staff. Further that, the superiority of the managerial staff over the non-managerial staff exists in all the four sectors, namely, Central public sector, State public sector, Private sector, and Co-operative sector industrial units.

Hence, the null hypothesis $H_0$ is rejected and the alternate hypothesis $H_1$ is accepted.

**Fifth Hypothesis:**

$H_0$: Participative management is independent of Professional development of the labour force in an organisation.

Vs

$H_1$: A low level of Professional development among the labour force will adversely affect the effectiveness of participative management.

**Position**

On the basis of the tables, Table 6.55 to Table 6.62, it is established that the state of Professional development of the labour force in an industrial organisation exerts an influence on the effectiveness of participative management there. Thus a low volume and magnitude of Professional development among workers and managers will adversely affect the effectiveness of participative management. It is also established that the Professional development among labour force is more in the case of Central public sector industries, followed by Private sector, State public sector, and Co-operative sector industries. Also revealed that Group I industries outperform Group II industries in the case of Professional development of the labour. It is also held that the managerial staff is superior to the non-managerial staff in the matter of Professional development.

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Hence, the null hypothesis $H_0$ stands rejected and the alternate hypothesis $H_1$ is accepted.

### 7.7 Summary of Findings

On the basis of the analysis of data pertaining to the effectiveness of participative management in the industrial sector of Kerala, the researcher has arrived at certain conclusive findings. The overall summary of findings drawn here are based on one hand the effectiveness of participative management and on the other the precepts and concepts, global and Indian experience.

1. The philosophy of participative management is as old as the institution of owners and workers and it has got the present form after good many studies and experiments conducted by sociologists, economists, psychologists, and research institutions all over the world.

2. The operationalisation of the concept of participative management differ from country to country. The global and Indian experience of participative management that provide a kaleidoscopic panorama is a reflection of the unique socio-political and economic features of the different countries.

3. The effectiveness of participative management is dependent of eight significantly correlated variables identified as 'core variables' of the study, namely, Productivity, Industrial relations, Social commitment of the Organisation, Organisational effectiveness, Organisation culture and development, Labour welfare and compensation, Industrial discipline, and Professional development of the labour. For practical convenience, its abbreviation is coined as ‘PISOOLIP’.

4. Effectiveness of participative management significantly differ among the industries classified into four on the basis of nature of ownership, namely, Central public sector, State public sector, Private sector, and Co-operative sector industrial units.

5. Central public sector industrial units rank first in the matter of effectiveness of participative management in the industrial sector of Kerala when compared with the other
three sectors, namely, State public sector, Private sector, and Co-operative sector industrial units.

6. Private sector industrial units occupy the second position in the matter of effectiveness of participative management in the industrial sector when compared with the other sectors under study.

7. State public sector industrial units come in the third place in the matter of effectiveness of participative management in the industrial sector of Kerala on comparison with other sectors.

8. Co-operative sector industrial units are the least effective ones in the matter of effectiveness of participative management in the industrial sector of Kerala when compared with other sectors under study.

9. The various factors determining effectiveness as mentioned by PISOOLIP do not keep any uniformity in the volume of its contribution to the effectiveness of participative management in the Central public sector industries.

10. Organisational effectiveness, Labour welfare and compensation, Industrial discipline, and Organisation culture and development are identified as 'highly effective' factors, while Industrial relations, Professional development of the labour, Productivity, and Social commitment of the Organisation are 'moderately effective' with regard to their volume of contribution to the effectiveness of participative management practices in the Central public sector industries.

11. All the eight variables of 'PISOOLIP' make a 'moderate' performance and contribution towards the effectiveness of participative management in the State public sector industries.

12. The trend of the State public sector is more or less followed in the case of Private sector industries too. Constituents of PISOOLIP work only 'moderately effective' in the case of Private sector industries.
13. The Co-operative industries run by peoples’ co-operatives have ample scope of establishing a high degree of participation; however the study found that Co-operative sector industrial units is the only sector where the entire PISoolip makes a ‘less effective’ performance.

14. Effectiveness of participative management differs according to the type of the industry whereby the service industries outperform manufacturing industries.

15. The entire core variables of PISoolip are more in favour of the service industries when compared to the manufacturing industries. In other words, the effectiveness of participative management is greater in the case of service industries.

16. The superior performance of service industries when compared to the manufacturing industries with regard to the effectiveness of participative management holds good in the Central public sector, State public sector, Private sector, and Co-operative sector industries.

17. The three constituents of effectiveness, namely, Organisational effectiveness, Labour welfare and compensation, and Industrial discipline are ‘highly effective’ when compared to the other core variables with regard to their contribution to the volume of effectiveness of participative management practices prevailing in the Central public sector manufacturing units.

18. In the case of Central public sector service units, the entire set of core variables except Industrial relations exert a profound influence in the volume of effectiveness of participative management. But for Industrial relations, the environment prevailing is observed as ‘moderately effective’.

19. The performance of PISoolip in the State public sector manufacturing units is ‘moderately effective’ with regard to their contribution to participative management and a very similar trend has been followed in the case of State public sector service units too.
20. In the Private sector industrial units, both manufacturing and service, all the eight core variables determining the effectiveness of participative management are 'moderately effective'.

21. The performance of various indicators of effectiveness significantly differs between manufacturing and service industries in the Co-operative sector. In the case of Co-operative sector manufacturing industries, all the eight determinants of effectiveness of participative management make a 'less effective' performance.

22. As far as the Co-operative sector service industries are concerned, three variables, namely, Organisational effectiveness, Industrial relations, and Professional development of the labour perform 'moderately effective' while the other five variables are found to be 'less effective' in their contribution towards participative management.

23. It is found that there is no significant difference between Group I industries and Group II industries in their participative management practices. Hence, size of the industry on the basis of its manpower is not exerting any influence on the volume and effectiveness of participative management.

24. Even though there is no distinction between Group I industries and Group II industries in the matter of effectiveness of participative management for the whole industrial sector, there are instances of Group I industries exceeding effectiveness over Group II industries and vice-versa, when industries are considered in relation to its ownership.

25. Among the Central public sector and Private sector industries, Group I industries outperform Group II, while in the State public sector and Co-operative sector industries, Group II industries perform better than Group I regarding the volume of effectiveness of participative management.

26. With regard to the contribution of various determinants of effectiveness of participative management in the Central public sector Group I industrial units, five are rated
'highly effective' and three 'moderately effective'. The determinants found as 'highly effective' are Organisational effectiveness, Professional development of the labour, Labour welfare and compensation, Industrial discipline, and Organisation culture and development. The 'moderately effective' variables found are Industrial relations, Productivity, and Social commitment of the Organisation.

27. Among the Central public sector Group II industries, three variables determining the effectiveness are observed as 'highly effective' and five are 'moderately effective'. The 'highly effective' variables are Labour welfare and compensation, Social commitment of the Organisation, and Organisation culture and development and the 'moderately effective' variables observed are Organisational effectiveness, Industrial relations, Professional development of the labour, Productivity, and Industrial discipline.

28. Among the Group I and Group II industries in the State public sector and Private sector, all the eight determinants of effectiveness of participative management are found to be as 'moderately effective'.

29. With regard to the Co-operative sector Group I industries, Professional development of the labour is observed as 'moderately effective' while all the other seven variables in the PISoolip are 'less effective' with regard to their contribution toward participative management.

30. Among Co-operative sector Group II industries, three variables, namely, Industrial relations, Social commitment of the Organisation, and Organisational effectiveness make a 'moderate' contribution to the cause of effectiveness of participative management, whereas, the other five variables, namely, Productivity, Organisation culture and development, Labour welfare and compensation, Industrial discipline, and Professional development of the labour make a 'less effective' contribution.

31. The status of labour, that is, either managerial or non-managerial, has got a bearing
on their receptiveness of the concept of participative management and the determinants of effectiveness of participative management work in different volume and magnitude between them.

32. Managerial staff outperform non-managerial staff in the matter of their respective contribution toward the effectiveness of participative management in the industrial sector.

33. The determinants of effectiveness of participative management, mentioned as PISOOLIP, work better among the managerial staff when compared with the non-managerial staff in all the four sectors, namely, Central public sector, State public sector, Private sector, and Co-operative sector industrial units.

34. Among the managerial staff in the Central public sector industries, five indicators of effectiveness of participative management work as 'highly effective'. They are Organisational effectiveness, Organisation culture and development, Labour welfare and compensation, Industrial discipline, and Professional development of the labour. The 'moderately effective' indicators are Productivity, Industrial relations, and Social commitment of the organisation.

35. Among the non-managerial staff in the Central public sector industries, only two indicators of effectiveness of participative management work as 'highly effective'. The remaining six work 'moderately effective' only. The 'highly effective' determinants are Organisational effectiveness, and Labour welfare and compensation.

36. The managerial and non-managerial staff in the State public sector contribute toward the effectiveness of participative management in a 'moderate' manner with regard to the each component of PISOOLIP.

37. Both the managerial and non-managerial staff in the Private sector industrial units present a 'moderately effective' performance with regard to their assimilation of the idea of participative management and the resultant effectiveness.
38. In the Co-operative sector industrial units, the managerial staff are 'moderately effective' with regard to two constituents of PISOOLIP, namely, Organisational effectives, and Professional development of the labour. In all the other cases, their performance is measured as 'less effective' only.

39. The non-managerial staff of the Co-operative sector industrial units are the least recipients of the spirit of participation as all the eight determinants of the degree of effectiveness of participative management work as 'less effective' among them.

40. The state of Professional development of the labour has a direct correlation with the degree of effectiveness of participative management. The more the Professional development of the labour, the more the degree of effectiveness of participative management practices.

41. The labour is more professionally developed in the Central public sector industrial units when compared with the other sectors.

42. Professional development of the labour takes place the minimum only in the case of Co-operative sector industrial units when compared with the rest.

43. Employees belonging to industries employing a large number of labour are more professionally developed than others.

44. The managerial staff in the industrial sector is comparatively more professionally developed than the non-managerial staff.

45. The various determinants of effectiveness of participative management in the industrial sector can be reduced to certain prominent groups of factors. In the Central public sector, State public sector, and Co-operative sector there are two such sets of factors each, whereas the entire PISOOLIP is grouped as a single factor in the case of Private sector industries.
7.8 Policy Recommendations

The effectiveness of participative management in the industrial sector is a matter of great concern for all those interested in the development of the nation. In the small but populous State of Kerala, especially, to fight against many problems, both industrial and social, the role and significance of wholehearted cooperation of the labour with management can hardly be exaggerated. To make participative management more effective and meaningful, both in the letter and spirit, the following policy recommendations are suggested.

1. There should be clearly formulated, mutually agreed, and well convinced goals, objectives, policies, and procedures for an industrial establishment.

2. Management of the Organisation must devote themselves to the welfare and prosperity of the undertaking and be capable of converting the corporate vision as the mission of the employees.

3. Communication being the life blood of an Organisation, management must make arrangements to provide a network of communication. The continuous flow of communication, both downward and upward, should be made as a means of sharing instruction, information, suggestion, and recommendation.

4. The role of informal communication in creating a healthy business organisation should not be undermined.

5. Delegation of the work alone by superiors to subordinates is not sufficient. It should commensurate with the responsibility and authority delegated.

6. Industrial relations system in the organisation should be improved as far as possible so that it contributes abundantly towards the effectiveness of participative management.

7. The industry must cater to the all round development of its employees; their physical, intellectual, emotional, mental, and moral stability shall be a matter of concern to the
Organisation. Not only their physical involvement in the work are welcome, but also or even more than that, their intellectual involvement should be appreciated.

8. Making the labour force well developed and creating a professionalism among them will ensure a participative outlook and inclination. For this, systematic and purposeful campaigns, seminars, retreats etc. should be conducted.

9. What employees today look for is not wages and salaries only, but also recognition, achievement, advancement etc. The job content should be enriched accordingly.

10. Designing of the most innovative and impressive labour welfare and compensation package shall be the style of every industrial organisation. Both monetary and non-monetary benefits attached to the job should be the best in the industry and also be reviewed periodically.

11. Organisation must understand that motivated labour with a high volume of morale is its most precious asset. Sound motivational techniques shall be scientifically evolved to maintain the workforce satisfied.

12. The accounting systems in the industry should work transparent and shall not leave any room for suspicion and misunderstanding as far as the cost and income reporting and accounting policies are concerned.

13. The incidence of labour disputes should be reduced to the minimum. For that, a two-dimensional approach is necessary. On one hand, the nature and causes of labour disputes shall be well studied so that once its point of origin is discovered, efforts can be made to avoid its recurrence. On the other hand, an effective labour disputes redressal machinery shall work in the Organisation to have a proper enquiry and amicable settlement of such disputes.

14. The management of the organisation should be fair and just toward employee disputes, punishments etc. A feeling shall not be mooted in the minds of the labour that
the management is partial and one sided and it promotes 'divide and rule' policy in the Organisation.

15. Participative management is the extension of democracy into the work environment. Democratic principles would find grand success in a society which has concern for certain values. Inspiring the labour by filling their minds with more human and ethical values shall create a positive outlook toward participation.

16. Modern management philosophies like brainstorming, formation of Quality Circles, Kaizen etc. aim at involvement of worker in the decision-making process of the Organisation. Industries should therefore identify the possibility of promoting such small group activities.

17. The employee evaluation and performance appraisal mechanism of the industrial organisation must do just and fair to each and worker without any discrimination on any basis whatsoever.

18. An optimum balance between seniority and merit shall be kept as far as promotions in the industrial organisations are concerned. While, for the unskilled category of jobs, seniority is the main criterion to be followed, for the skilled jobs experience and merit must get almost equal weightage.

19. No worker is born with all the skills required to perform an industrial job. Periodic training must be given to the labour to make them equipped and adapted to the present day needs of the industry.

20. Sharing of all the relevant information with the workers and/or their representatives builds up trust between the management and the workers. It makes both the parties, especially the workers much more responsible in their nature in formulating the demands than what it would be when they are kept in the dark.

21. The management of the Organisation along with fulfilling the economic needs by providing a sound wage structure also looks after the human needs of the workers
and their family members. Efforts must be made in this regard to provide a more safe, congenial, and hygienic working and living environment to the workers so that a distinction they do not feel between their home and workplace.

22. The management must lay down a disciplinary procedure incorporating the principles of natural justice. It should also create an independent enquiry cell to enquire into the disciplinary cases.

23. Last but not least, an organisational climate characterised by declared personnel philosophy, codified policy, and practices in consonance with the policy in the area of human resources management is necessary for boosting the effectiveness of participative management in the industrial sector.

7.9 Conclusion

It is often commended that participative management is a myth. The present study is an experience that has made the measurement of participative management practices a reality dispelling the misnomer of a myth. The study speaks of the ways and methods of how a successful participative management can be introduced and its effectiveness can be measured by moving through a little different path which is much helpful in keeping some distance from the complexities and worries of constituting many forums and committees. It paves the path for a new thinking and plan of participation which can successfully encompass both the objectives of enhanced productivity and improved human relations for the betterment of the industry, and the nation.

7.10 Scope for Further Study

The present study on effectiveness of participative management in the industrial sector of Kerala has opened a new style of methodology to evaluate participative management practices. Much more springs are expected to generate and develop into a large ocean of knowledge. The researcher has identified the scope of some related research works in the following topics:
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1. Since the present study has analysed the overall effectiveness of participative management in the industrial sector of Kerala, intensive studies relating to each of the components of PISOOLIP and establishment of its bondage of relationship with the participative management can be further studied.

2. An in-depth study with regard to effectiveness of participative management in the new generation banks and non-banking financial institutions can be carried out.

3. Information technology is an area getting new developmental dimensions everyday. There is ample scope for conducting a study with regard to the practices of participative management in this field.

4. Effectiveness of participative management in the Governmental departments is another area for study.

5. The education system of the country is subject to new trends and experiments nowadays. A study on the effectiveness of participative management in the schools, colleges, and universities shall be meaningful.

6. The role of trade unions in making the participative management style effective is yet another area remains unexplored.