PART III

PARTICIPATION IN INDIA
It is essential to clarify the term 'Participative Management' in view of sharp differences in the meaning given to it in different countries. In India, it invites immediate attention to the widely publicised government-sponsored scheme for Workers' Participation in Management. It implies simply practices which increase the scope for the employees' share or influence in decision making at different tiers of the organisational hierarchy with concomitant assumption of responsibility.

It may be noted at this stage that the impetus for such participation may occur as the result of government pressure or as the result of other forces governing the behaviour of management and unions.

**BRIEF HISTORY**

For the first time joint consultation method was introduced in the Indian cotton textile industry in 1910, where employers used to hold informal consultations with mill committees and discussed only the grievances of the workers. In 1919, the Tata Iron and Steel Company set up a works committee, which included the representatives
of both the trade union and the management. But this committee did not function properly owing to rivalry among the different trade unions. A little later, i.e., in 1920 some success was achieved in this concept when at the instance of Mahatma Gandhi the workers and employers of the Ahmedabad Textile industry agreed to settle disputes by mutual discussion. In 1922, a joint committee known as the work people's Welfare Committee was set up by the management of the Buckingham and Carnatic Mills. From 1933 onwards some of the leading Railway managements set up joint committees known as Shop Welfare or Staff Committees in workshops and traffic departments. However, these committees did not achieve much success as reported by the Royal Commission on Labour in 1951. By 1947 the utility of the methods of joint consultation was widely recognised. The TISCO joint committee was formed in the year 1947 to prepare a revised wage structure. The year 1947 is also important as the new enactment called the Industrial Dispute Act was also passed in the same year. This act prescribed that all establishment where one hundred or more workmen are employed shall form the works committee with equal participation. This was the first important step towards joint consultative concept in India. The issue of participation was discussed in detail in the Indian Labour Conference.
held in December, 1947 whereupon a general call was given to the employer to constitute works committees and production committees to augment production and to develop harmonious relation between employers and employees. The government also issued an order in May 1948 calling upon the managements of major ports, mines, oil fields and offices of the central undertakings to set up works committees. At this stage different state governments also geared up their activities. Thus, we find where as there were 1,143 works committee in 1951 it shoted up to 2,093 in 1955-54. But there was a marked downward trend since then and it was only 1,960 in 1955-56. The initial enthusiasm and success could not be maintained either due to non-cooperation on the part of employers or inter-union rivalry of the employees.

The Second Five year plan recommended that for the successful implementation of the plan, increased association of labour with management is necessary. Government's Industrial Policy Resolution of 1956 also stated, inter alia, that in a socialist democracy labour is a partner in the common task of development and should participate in it with enthusiasm. There should be joint consultation and workers and technicians should wherever possible be associated progressively in management. In 1956 a Study Group on Workers' Participation in
management was deputed to some European countries to study the scheme of participation. The recommendations of the study group were accepted at the 15th session of the Indian Labour Conference held in July 1957 which appointed a tripartite Sub-Committee to work out details of a workable scheme. The present government scheme of Joint Management Council is based on the draft scheme prepared by the sub-committee and subsequently modified by two tripartite national seminars on the subject held in 1958 and 1960. The Third Five Year plan also strongly recommended the extension of this scheme to new industries and units so that in the course of a few years, it may become a normal feature of the industrial system.

The scheme for joint management councils was officially launched in 1958. It was designed with the intention of improving plant-level labour relations by providing a supplement or alternative to the pattern of compulsory adjudication, which continued to be dominant in the regulation of union-management relations. The proposals which were finally adopted, however, dropped provision for the mandatory constitution of joint councils and emphasised the advisory character of the proposed participation. Thus the scheme was above all voluntary and selective. It was stressed that for
introducing this scheme, the units selected should have good record of stable constructive industrial relations. Every effort was made to eschew issues normally covered by collective bargaining, conflicts with the leadership of the unions, and inroads into managerial prerogatives on major economic decisions which managements were either unwilling or unable to relinquish. It was envisaged that the councils would be consulted by managements on the administration of the standing orders and on changes in production techniques or operations. It was also stipulated that the councils would be entitled to receive information on, and react to, a whole set of issues concerned with the present and prospective well-being of the firm. It was also provided that the councils would be entrusted with responsibilities in the fields of welfare and safety; vocational training; rewards for suggestions; and the preparation of working schedules.

The progress in regard to the implementation of the Scheme has not been satisfactory. Out of 50,312 companies as shown in Table -I (514 Government companies and 50,098 non-government companies) at present Joint Management Councils are functioning only in 80 companies.
### TABLE - I

**Joint Stock Companies**  
(Number and Paid up capital)

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>%</th>
<th>Paid up capital (Rs. Crores)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Companies</td>
<td>30,412</td>
<td>100</td>
<td>4,801</td>
<td>100</td>
</tr>
<tr>
<td>Govt. Companies</td>
<td>314</td>
<td>1</td>
<td>2,065</td>
<td>43</td>
</tr>
<tr>
<td>Non-Govt. Companies</td>
<td>30,098</td>
<td>99</td>
<td>2,256</td>
<td>52</td>
</tr>
</tbody>
</table>

**SOURCE**: Compiled from the table No. 61 of Statistical Outline of India, 1973-74.

Table - II given below gives a clear picture of the progress of JMC Scheme in India from 1956 to 1975 (January).

### TABLE - II

**Progress of JMC Scheme in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of J.M.Cs functioning</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public sector</td>
<td>Private sector</td>
</tr>
<tr>
<td>1956</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>1957</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>1958</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>1959</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>1960</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>1961</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>1962</td>
<td>33</td>
<td>56</td>
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<tr>
<td>1963</td>
<td>34</td>
<td>63</td>
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<tr>
<td>1964</td>
<td>43</td>
<td>97</td>
</tr>
<tr>
<td>1965</td>
<td>47</td>
<td>85</td>
</tr>
<tr>
<td>1966</td>
<td>46</td>
<td>84</td>
</tr>
<tr>
<td>1967</td>
<td>51</td>
<td>55</td>
</tr>
<tr>
<td>1968</td>
<td>30</td>
<td>33</td>
</tr>
</tbody>
</table>
In 1946 a number of industrial undertakings had entered into agreement with their unions for setting up Joint Management Councils and on this basis they were included in the list of units which had set up Joint Management Councils. However, in most cases, JMC did not start functioning. The deletion of these units accounts for the significant fall in the number of Joint Management Councils as compared to the previous years.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of J.M.Cs Functioning</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public sector</td>
</tr>
<tr>
<td>1971</td>
<td>51</td>
</tr>
<tr>
<td>1972</td>
<td>51</td>
</tr>
<tr>
<td>1973(January)</td>
<td>51</td>
</tr>
</tbody>
</table>

**Source:** MINISTRY OF LABOUR, NEW DELHI.

**TABLE - III**

Companies which have introduced JMC in relation to Eastern Region

<table>
<thead>
<tr>
<th>Public sector</th>
<th>Private Sector</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDIA</td>
<td>31</td>
<td>80</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Eastern Region**

<table>
<thead>
<tr>
<th></th>
<th>Public sector</th>
<th>Private Sector</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assam</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>5.7%</td>
</tr>
<tr>
<td>West Bengal</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>10%</td>
</tr>
<tr>
<td>Bihar</td>
<td>10</td>
<td>13</td>
<td>23</td>
<td>23.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10</strong></td>
<td><strong>24</strong></td>
<td><strong>54</strong></td>
<td><strong>48.4%</strong></td>
</tr>
</tbody>
</table>

**Source:** GOVERNMENT OF INDIA, MINISTRY OF LABOUR, NEW DELHI.
Table-III shows that out of the 80 companies where JMCs are functioning the eastern region comprising Assam, West Bengal and Bihar alone shares 54 companies (10 in Public Sector and 24 in Private Sector) which means 42.4% companies are from the Eastern Region.

| TABLE - IV |
| Number of establishment submitted report on J.M.C. |

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>JMC in No. of establishment</th>
<th>Report on JMC received from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>Private</td>
</tr>
<tr>
<td>1969</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan - Mar</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>April - Jun</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>Jul - Sept</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>Oct - Dec</td>
<td>51</td>
<td>53</td>
</tr>
<tr>
<td>1970</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan - Mar</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Apr - June</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Jul - Sep</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Oct - Dec</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>1971</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan - Mar</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Apr - Jun</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Jul - Sep</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Oct - Dec</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>1972</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan - Mar</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Apr - Jun</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Jul - Sep</td>
<td>51</td>
<td>49</td>
</tr>
<tr>
<td>Oct - Dec</td>
<td>51</td>
<td>49</td>
</tr>
</tbody>
</table>

SOURCE : MINISTRY OF LABOUR, NEW DELHI.
Out of 80 companies having Joint Management Councils at present only 10 companies of the Eastern Region are sending their report on JMCs regularly to the Labour Ministry, New Delhi. Table IV shows that even public sectors, where government could influence its working, failed to submit their reports. In the absence of any report it is doubtful whether in the remaining 70 companies JMCs are functioning at all. The special cell of the Labour Ministry which was initially entrusted with the responsibility for implementing the idea in letter and spirit is now in a most neglected condition. The Table also indicates that proper follow-up action has not been taken to obtain the reports.

**TABLE - V**

Industry-wise distribution of JMCs (January, 1978)

<table>
<thead>
<tr>
<th>Industries</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manufacturing Industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textiles</td>
<td>Nil</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Engineering</td>
<td>1</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Others</td>
<td>-3</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>85</td>
<td>94</td>
</tr>
<tr>
<td><strong>Mining</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal Mines</td>
<td>12</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td><strong>Plantations</strong></td>
<td>Nil</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>7</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>51</td>
<td>40</td>
<td>90</td>
</tr>
</tbody>
</table>

**SOURCE:** MINISTRY OF LABOUR, NEW DELHI.
Table V shows the inclusion in the scheme of as many as 25 celleries with below average industrial relations, and recommendations for establishment of joint councils in units with admittedly difficult industrial relations, shows that the original purpose of the scheme had been greatly transformed.

**PROBLEMS ENCOUNTERED**

The Study Group's recommendation laid great stress on adequate preparation before starting the scheme of J.M.C. It also suggested a workers' Education Programme in order to instil the right attitude in the minds of workers and to create a favourable condition for smooth working of the scheme. According to it, the prerequisites to the starting of the scheme were the existence of satisfactory arrangements for collective bargaining and settlement of disputes and the development of strong trade unions closely connected with the machinery of participation but with a reasonably clear separation of functions. But in its enthusiasm to begin the experiment the Government overlooked these basic requirements. Joint Councils were set up in haste and with ill-defined functions due to which some of these councils died a natural death within a short time.

Thus, the very first problem encountered in initiating the
scheme of participation is the absence of proper education among
the workers. This has got the pull back disadvantage as workers
cannot fully recognize the importance of participation and what
gain could be achieved out of it.

**TABLE - VI**

**Industrial Disputes Classified by Strikes and Lockouts**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of disputes</th>
<th>Total No. of workers involved</th>
<th>No. of Man-days lost (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Strikes</td>
</tr>
<tr>
<td>1961</td>
<td>1,557</td>
<td>511,860</td>
<td>2,969</td>
</tr>
<tr>
<td>1962</td>
<td>1,481</td>
<td>705,039</td>
<td>5,059</td>
</tr>
<tr>
<td>1963</td>
<td>1,671</td>
<td>565,121</td>
<td>2,223</td>
</tr>
<tr>
<td>1964</td>
<td>2,131</td>
<td>1,002,955</td>
<td>5,724</td>
</tr>
<tr>
<td>1965</td>
<td>1,885</td>
<td>991,193</td>
<td>4,617</td>
</tr>
<tr>
<td>1966</td>
<td>2,556</td>
<td>1,410,076</td>
<td>10,977</td>
</tr>
<tr>
<td>1967</td>
<td>2,815</td>
<td>1,490,546</td>
<td>10,343</td>
</tr>
<tr>
<td>1968</td>
<td>2,776</td>
<td>1,469,284</td>
<td>11,078</td>
</tr>
<tr>
<td>1969</td>
<td>2,627</td>
<td>1,336,866</td>
<td>15,477</td>
</tr>
<tr>
<td>1970</td>
<td>2,889</td>
<td>1,317,732</td>
<td>14,749</td>
</tr>
<tr>
<td>1971</td>
<td>2,732</td>
<td>1,615,160</td>
<td>11,803</td>
</tr>
<tr>
<td>1972</td>
<td>2,913</td>
<td>1,395,535</td>
<td>11,794</td>
</tr>
</tbody>
</table>

**SOURCE : INDIAN LABOUR STATISTICS, 1973**

There is no doubt that for the betterment of labour relations
labour psychology has to be understood, and our present day management
has to pay a greater attention in this regard so that a feeling of
identity of the workers with the company can be created. While
harmonious relations between union and management is a pre-requisite
for developing JMC concept, we find the attitude of Indian Managers is standing on its way. Most of the time they decide to fight the union and for that they may resort to different steps to discredit the efforts of the union. They even sometime decide to deal with the union on an 'armed truce' basis. Here management's attitude is to contain the union and to preserve managerial rights. This attitude of management has contributed to a large extent towards lockouts and strikes in the Indian industries as shown in Table - VI and total man-days lost is on the increase every year. In India, both workers and management resorted to strikes and lockout as their weapons to defeat one another instead of settling disputes across the table. Management should not forget that the structure of the democratic union is almost exactly the reverse of a company's organisation (as shown in Figure -1) and if they maintain a cordial relation with the union they are going to maintain a healthy relation with the whole workers community.

Management's attitude towards J.N.C. is also not sympathetic and this is clear from their various remarks. In the Seminar organised by the Council of Indian Employers in New Delhi in 1964, it was remarked that "in regard to a voluntary scheme like J.N.C., Government should not interfere either in regard to the setting up of the
In the case of a company, policies are decided by the top management personnel and implemented by the middle & lower management groups. But in the case of union/policy matters are decided by the workers in the general meeting and leaders co-ordinate and guide them in its implementation.
Joint Councils or the manner of its functioning. .... The best
service which the Government could render to the cause of Joint
Management Councils was to keep out of the picture", and "workers
are not interested in the scheme due to their preoccupation with
immediate bread and butter problems".

There are only a handful of managers who think in terms
of maintaining a relationship of 'working harmony' in the organi-
sation based on fair dealing and mutual understanding of problems
and goals. Here union-management discussions are centered not on
'principles' or 'prerogatives' but on problems and how best to solve
them. There is sharing of information and management consults workers
through their union, about an ever widening range of company problems.

**TABLE - VII**

**Percentage Distribution of Industrial Disputes 1961-71 (Group wise)**

<table>
<thead>
<tr>
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<tr>
<td><strong>GROUP I</strong></td>
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<tr>
<td>Wages, All)</td>
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<tr>
<td>overtime &amp;</td>
<td>57.30</td>
<td>37.80</td>
<td>43.40</td>
<td>50.80</td>
<td>46.00</td>
<td>47.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bonus</td>
<td>42.50</td>
<td>42.80</td>
<td>49.00</td>
<td>47.80</td>
<td>47.70</td>
<td></td>
<td></td>
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<tr>
<td><strong>GROUP II</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Personnel</td>
<td>62.70</td>
<td>62.20</td>
<td>56.60</td>
<td>49.20</td>
<td>54.00</td>
<td>51.50</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>&amp; retrenchment,</td>
<td>57.50</td>
<td>57.20</td>
<td>51.00</td>
<td>52.20</td>
<td>52.50</td>
<td></td>
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<tr>
<td>leave &amp;</td>
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<td>work, Indis-</td>
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<tr>
<td>cipline etc.</td>
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</tr>
</tbody>
</table>
In Table VII causes of industrial disputes have been divided into two groups - Wages, Allowance and Bonuses have been kept in the first group which are meant for collective bargaining and other items like Personnel & retrenchment, Leave and hours of work, indiscipline, violence and other misc. issues have been considered in the second group which can be decided through Joint Management Councils. The table indicates that at least 50% of the disputes can be settled on the shop floor itself through joint consultation if proper endeavour is made.

A number of problems also stemmed from defects of managerial organisation, which included grave shortcomings in communication procedures and the internal delegation of authority. Factory managers and management representatives are not in a position either to provide immediate redress for grievances or to secure more fundamental changes in managerial practices. Junior officials are asked to represent the management on Joint Management Committees, thus minimising the effectiveness of resolutions taken. Occasionally, these officials even encouraged expectations (and subsequent disillusionment) in irresponsible manner. Charles A Myers thus reported a lessen management representative as saying 'since recommendations are not binding on management, the company representatives on the committee feel, why oppose worker suggestions among the people we have to deal with every
day? So we agree to many worker proposals, knowing that management will turn them down - but we don't get the blame.  

Again when Departmental heads are nominated in the JMC the workers' representative, unless he is a dynamic one, loses much of the initiative to criticise or even offer constructive criticism in the JMC meetings for fear of being reprimanded or even punished by the bosses on some false pretext for criticising the management's policies. In one of the enterprises studied, the Chowkidar of the manager's bungalow was selected by the management to be the workers' representative in the JMC and for fear of being reprimanded he never took his chair in any of the JMC meetings.

Finally, as the scheme was not clearly defined and termed anywhere it aroused divergent interest among different groups. Management reacted negatively to the term 'participation' while workers' Representatives utilised the joint councils to press for a good deal more than was intended in the scheme.

An approach has been made in the Chapter 'Proposed Draft Constitution' to formulate certain procedures which are essential

1. Charles A Myers - Industrial Relations in India, pp. 225-226
for successful implementation of the joint management concept, keeping in view the conditions prevailing in India. Unless Government comes forward with the legislation in the line proposed it will be difficult for us to come out of the present industrial crisis.

**WORKERS’ DIRECTOR ON THE BOARD**

As a part of the Joint Management scheme the Government of India have initiated a programme of putting Workers’ Directors on the Board of different organisation. The actual scheme was introduced in the Rajya Sabha on November 26, 1971 by the Labour and Employment Minister Sri R.K. Khadilkar.

The scheme emphasised that the workers’ directors will be introduced only in those industries where there exist a continuous good record of labour-management relations and there is a tradition of mutual settlement of disputes. The candidate for worker-directorship should be sponsored by the recognised union functioning in the organisation. The Union may submit three names out of which one will be nominated by the Government. The appointment of the Workers’ Director
will be made initially for a period of two years but may be extended for another two years provided that he remains a shop-floor workman and is again sponsored by the recognised union. He will be entitled for allowance and fees as in the case of other part time directors. As regards the qualification for the candidature, he should be an employee of the undertaking of at least 25 years of age and having a minimum of five years of employment experience with the undertaking and having no disciplinary action pending against him. The nominee need not have any educational qualification, but he should be conversant with the various aspects of the working of the undertaking and must have some knowledge of labour-management relations in the undertaking. It has been provided that undertakings having more than one unit, each plant will be represented on the board of directors in rotation. If any of the plants does not have a recognised trade union it will forfeit its right of representation.

The scheme of putting workers' directors on the Board in the present form has not been accepted either by the workmen or by the different parties controlling the workers. They have reacted sharply on the question by saying "We do not want to share in the management by merely being given one or two directorships on the board, but
participation should be at all levels including the right to question every act of the management - AITUC;  
Participation should be at all levels of management from the Board room to the shop floor - AIRF;  
"We do not think very much of participation in management if it means putting a government-nominated director on the Board - HMS;  
while President of the INTUC feels "there should be effective participation in different process of Planning".  

If the stipulation of continuous good record of labour-management relations is to be maintained, then hardly a few industries in India will get the clearance for the scheme and that too one can guarantee for how long they will have that privilege due to the prevailing labour unrest in the country. Under the present system the workers' director has also been placed in a very difficult position. He has to reconcile the function of sharing responsibility with the management as a director and at the same time opposing the management in all matters concerning the interest of workers'. Because the union

2. S.A. Dange, General Secretary, AITUC - 'MLITE' January 26, 1974  
3. George Fernandez, President, AIRF - Ibid.  
4. Mahesh Desai, General Secretary, HMS - Ibid.  
5. B. Bhagwati, President, INTUC - Ibid.  
would expect him to act as its spokesman, the management as a
trouble-shooter and interpreter of its policies while the govern-
ment would expect him to toe its line in matters of its policy on
labour. If he has to continue in the post, neither he can dissatisfy
the union nor the management or government.

The general workers have little faith in the management's
function of reporting the financial position of the concern specially
the balance sheets. Most of the organisations are reluctant to
disclose the financial informations to the Workers' Representatives
and this led them to believe that the account books have been
manipulated in order to forestall the claims of workers for bonus
or higher wages. To clear this doubt worker Directors should have
an opportunity to discuss financial matters at the meetings of the
board. For discussing financial and policy matters at the board level
certain expertise knowledge in the field is required but with the
provision 'the nominees need not have any educational qualification'
the whole idea of clearing suspicion and misunderstanding from the
mind of the workers will fail. Instead of 'some knowledge' the Workers'
Directors should have 'fair knowledge' on different aspects of the
organisation for discussing such matters convincingly in the board
meetings. It is also essential that Workers' Directors should be provided with proper training before they are entrusted with the responsibility. The training can be organized either by the National Federations of the Unions or by the Government or jointly.

**PARTICIPATION BY OWNING SHARES**

Can participative concept be developed by distributing shares to the workers - is a question put by many modern thinkers. Some of them are of view that it will develop belongingness among workers whenever their money will be invested in the organization and their fate will be linked with the fate of the organization. While others are not so hopeful about the system.

**Summary:** As an experiment Tamil Nadu Government have implemented the scheme in the Chennai Transport Corporation from May, 1973. Under the scheme share of Rs.100 each will be issued to the workers on the recovery of 10 monthly instalments from the wages of the workers. Purchase of shares will be optional in the case of existing employees but compulsory in the case of new recruits. Two directors on the board can be elected by the worker shareholders. A few other private companies are also trying on this concept.

It is still a matter to be observed how far the concept of
participation can be developed under the equity share holding plan. But it is the general experience that the small shareholders are usually absent from the general meetings; those few amongst them still participate are not interested in the business policy of the enterprise but rather aim at getting as high a dividend as possible. Moreover, when he will be the worker shareholder, he will not like to criticise the management policy risking his own job.

In contrast to the general shareholders, the large shareholders are both willing and in a position to influence business policy. But either they themselves or their representatives are in the board and exert a decisive influence there or they have their own contacts with the Board of Directors. Therefore, the general shareholders cannot be regarded or defined as the owner of the enterprise for he is not in possession of the comprehensive rights of control which are otherwise connected with ownership. Therefore, one has to concede that mere possession of few shares on the part of the workers cannot replace their participation the enterprise's management. An introduction of the democratic element into economy is not possible by widely scattered ownership of shares.