CHAPTER-2

Workers' Participation in Management

(a) Concept of Workers' Participation in Management:

At this stage, it will be interesting to know the meaning of management, worker, participation, and benefits of participation, its extent, degree, scope, form, stages, levels, determinants and essential factors for success.

(1) Meaning of Workers' Participation in Management:

Various terms have come to denote different terms and degrees of participation for example, joint consultation, labour management cooperation, co-determination, joint decision making, workers' participation in management. These terms or their variants have been interpreted and explained differently, some of which are mentioned here.

According to J.R.P. French¹, participation which refers to "the process in which two or more parties influence each other in making certain plans, policies and decisions. It is restricted to decisions that have further effects on all those who are making the decision and those who are represented by them. P. Blumberg², having accepted French's concept of participation, refers to two directions of participation, namely :-

(a) Sharing information as a rudimentary form of participation, where workers control decision and are responsible for them. M. Shashkin³ suggests that participation involves workers in the planning and control of their own work activities.
Shashkin has mentioned four broad types of participation that is:

(i) Participation in goal setting,
(ii) Participation in decision making,
(iii) Participation in Problem sharing,
(iv) Participation in change.

To Ian Clegg, participation implies - "a situation where workers' representatives are, to some extent, involved in the procedure of managerial decision making; but where the ultimate power is in the hands of the management.

Keith Davis considers it as "a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them. According to V.G. Mhetra, participation involves "sharing of decision-making power and power of an industrial organization, through proper representatives, at all levels of management in the entire range of managerial action."

K.C. Alexander considers a management to be participative "if it gives scope to the workers to influence its decision-making process on any level or sphere, or if it shares with them some of its managerial prerogatives. In the Japanese context, joint labour management consultation system is defined as "a system for consultation on those managerial and production matters which are not dealt with tough regular collective bargaining."

In a recent work, Michael Salamon has referred to three distinctly different interpretations of the term "employee participation". Firstly as a socio-political concept or philosophy of industrial organization, it is synonymous with "Workers' Control" or "Industrial Democracy".
It involves "the determination by the whole labour force of the nature methods and indeed purpose of production". Its central objective is establishment of employee self-management within an organization, whose ownership is vested in either the employees or the state and whose managerial function is exercised ultimately through a group elected by employees themselves, which has the authority overall decisions of the organization. Secondly, as a generic term, it encompasses all processes and institutions of employee influence with the organization. In this sense, employee participation exists whenever those at the bottom of the enterprise hierarchy take part in the authority and managerial functions of the enterprise. From this point of view, employee participation began with the advent of trade unions and it includes "the entire spectrum of management employee relationships from simple information given by management, through joint consultation, collective bargaining and other institutionalized forms of joint consultation, to workers' control." In the third sense, it is considered as "a discreet term to denote a nebulous; but distinct evolutionary development of the traditional joint regulatory processes, which rack to promote greater employee influence within the existing organizational system.

From 1960 onwards, employee participation has been conceived in this sense. In this interpretation, Salamon defines employee participation as "a philosophy or style of organizational management, which recognizes both the need and right of employee, individually or collectively, to be involved with management in areas of the organization's decision making beyond that normally covered by collective bargaining.

The definitions of workers' participation in management clearly indicate that it has been conceived and explained in different languages. The scholars have taken the liberty of emphasizing those aspects of participation, which have appeared more convincing to them in the
context of industrial relations of their respective countries. In general, workers' participation is conceived as an alternative method to collective bargaining. Workers' participation in Management gives workers, the opportunity to give voice to their opinions and determine the policies and operational decisions of an enterprise or organization. This participation may be of different degrees and may assume different forms such as information sharing, problem sharing, joint consultation, joint decision-making and co-partnership.

(2) Meaning of Management and Worker:

Management is a process involving horizontal as well as vertical actions in an industrial establishment, or establishing co-operation and co-ordination between various factors of production; which results in the successful achievement of the goal of the enterprise.

The Encyclopedia of Social Sciences defines management as "The process by which the execution of a given purpose is put into operation and supervised. The combined output of various types and grades of human efforts which affected the process is again known as management in human sense. Again, the combination of those persons who together put forth this effort in any given enterprise is known as the management of the enterprise. The term, therefore, covers the process of managing, the combined human ability involved in managing and the personnel required to manage. According to Roethlisbeger and Dickson - "What constitute management is to view managerial functions from the aspect of realizing effectively the objectives of a productive enterprise, viz.; to maintain the social system of the plant in a state of equilibrium."

The role of the management, therefore, lies essentially in uniting; coordinating and welding the people into a team effort directed towards a given purpose. Fayol has laid down that - "To manage is to forecast and plan, to organize, to command, to co-ordinate and to control." This is what Management has to perform.
Bernard\textsuperscript{11} has laid down that - "the management has to maintain a system of organizational communication to secure essential efforts from individuals and to formulate a purpose for the organization."

Brown\textsuperscript{12} has described 'Manager' as a member of the organization subordinates him authoritative roles to appoint members and determine their work. He is accountable for his subordinates' work in those roles. Thus, his definition draws attention to the management as system of formal authority. According to Clegg\textsuperscript{13} - "It seems better to emphasize that there are two distinct basic activities of management -

(1) Making decisions, and

(2) Providing leadership.

Management then, is - "the art and science of decision making and of leadership. Drucker\textsuperscript{14} has laid down that whenever we talk of a business enterprise to build a new plant, laying of workers or treating its customers fairly, we actually talk of management decision, a management action, a management behaviour. Drucker\textsuperscript{14} further emphasized that - "There may be great non-economic results, the happiness of the member of the enterprise, the contribution of the welfare of culture of the community etc. Yet the management has failed if it fails to produce economic results. The first definition of Management is, therefore, it is an economic organ and every act, every decision; every deliberation of management has its first dimension and economic dimension. And in this sense, the management has to perform three important functions, viz;-

(1) Managing a business successfully,

(2) Managing managers, i.e. to make a productive enterprise out of human and material resources, and

(3) Managing workers and work.
Thus, this definition indicates the nature of management in terms of-(a) decision making activity, (b) a system of authority, (c) an elite group with particular social attributes.

Kunio Odaka, a Japanese Scholar views that participation is more than an incentive device as usually stated by industrial psychologists. Participation means giving workers a real chance to have a share in management activities and encourage them to do so spontaneously.

The views expressed by Odaka, H.A. Clegg gives an important place to trade unions in making participative management. A success according to him, evolves three important components in the theory of industrial democracy. They are:-

1. Trade Unions must be independent both of the state and management,
2. Only the Union can represent the interest of workers, and
3. Ownership of industry is irrelevant event to good industrial relation.

Why Participation is required?
And Workers’ Participation in Decision Making

2(a) Why Participation is required?

Many people today identify participation with industrial democracy, power sharing, or co-determination. Others see it as simply providing employees with a little more information than at present, on how their company is progressing. Some feel that participation is the wrong word, one should be talking of involvement. Take a word, and give it your own meaning.

In fact there is a constant extension of participation into new areas, and the range of issues which it includes is progressively increasing. Sometimes this is the result of legislation — employee representatives on
In this study therefore, participation will be used in its widest context, it will not be restricted by a narrow definition. Although to bring clarity these terms and questions are explained as under:

Three areas of participation

In this wide sense, participation covers three broad areas:

(a) The way in which employees influence, or are involved in, the decision-making processes of the enterprise.

(b) Job satisfaction and work organisation: improving the quality of jobs, making work more interesting, the social organisation of work units.

(c) Financial participation, which may include profit sharing and employee shareholding, but is essentially 'getting the money right'.

There are overlapping areas, and any particular example of participation will cover more than one — as for example workgroups responsible for organizing their own programme, with a related productivity agreement. Indeed no one form of participation is viable in isolation, and in any situation the total pattern of participation should be a coherent whole.

There is however no one pattern of participation that will fit every case. What is right in one situation may be quite unsuitable in another. Participation has to grow organically within the organization, in ways that will match its own particular circumstances.

What form it takes will depend, among other things, on the type of enterprise, its history, including its industrial relations history, its size,
what is the level of expectation of its workforce, and not least on the styles and attitudes of its management.

Participation in a steelworks with 2000 people on one site will be very different from that in a multiple retailer, or a clearing bank with 1000 or more small outlets. And neither will bear any resemblance to what would be right for a small confectionery manufacturer employing mainly part-time women. Even in a single company, the pattern will often vary considerably from one unit to another.

Purposes

One needs also to be clear about the purposes of participation, and here again ideas vary. There are I believe two basic and essential purposes:

(a) To improve the quality of working life and the satisfactions obtained from work.

(b) To improve the efficiency and productivity of the enterprise.

These are complementary purposes and both are equally important. The efficient running of any company depends on the willing co-operation of its workforce, and that co-operation is more likely to be given when people feel involved and the level of job satisfaction is high. Equally, the realization of employee interests clearly depends on the success of the enterprise itself. It is therefore in the interests of all parties that both these purposes should be achieved; and any form or structure of participation should be tested against both, it should not serve one at the expense of the other.

Pressures for participation

Neither the concept nor the practice of participation is new, and there are many examples of successful participation that go back over more than one generation. Some companies have had works committees for 50 years and more. Profit sharing and co-partnership stem from the...
1880s. The more recent extension of participation into new areas, however, and particularly the pressure for participation at higher levels in the enterprise, results from a number of different factors.

**Changing social climate**

First, and most fundamental, is the changing social climate, and the change in people's life experience and in their attitudes and expectations, in this generation compared with the last:

a) A childhood experience of relative security (full employment, comparative economic security) compared with the experience of insecurity in the previous generation (unemployment and economic insecurity in the 1930s, physical insecurity in World War II).

b) People are better educated, and at school are encouraged to test and challenge authority; authority is no longer taken for granted. And with the higher age at which school-leavers enter industry, they are less willing to accept an authoritarian atmosphere at work.

c) Personal and social standards have changed; there is little discipline in the home as well as at school. And we have the permissive society.

d) The influence of the media, particularly television - people are instantly aware of what is happening, in a way they never were through newspapers or radio. And often they identify with or respond to the characters brought into their living rooms in television drama.

e) A continuing sense of economic security provided by the Welfare State - even unemployment is not so great an economic threat as it was a generation ago.
These social factors do not of themselves necessarily lead to pressure from the new generation of employees for greater participation. They may just as easily lead to alienation. But they do put pressure on management to create a sense of involvement as an essential factor for employee commitment.

**Changing patterns of industry**

There are also the changing patterns of industry, especially towards big impersonal organizations. People cannot easily identify with big units. And decisions that used to be taken at local level and face to face is now taken at a remote centre.

Technology has altered the character of work - fewer people are called on to be craftsmen in any real sense of the word, more and more they are machine minders, not machine operators. At the same time an ever increasing proportion of the workforce is being transferred from the factory to the office - where physical conditions may be better, but often there is a greater monotony in their work.

As industry becomes more capital intensive, often with vast sums invested in a single plant, there is paradoxically a greater dependence on the human factor. A few key people can bring a whole works, even a whole industry, to a standstill. And industrial action is no longer confined, as it used to be, to manual workers.

**Power of trade unions**

There is the increased power of trade unions, towards industry, towards the community, even towards government. The trade union movement is now probably the strongest single force in our society. And it has set its course towards industrial democracy - although apparently without any clear agreement as to how it should be achieved.
Influence from abroad

The experience of other countries, particularly Scandinavia, acts as a stimulus, and there is pressure from the EEC (European Economic Community). There is perhaps more recognition now than a few years ago that one country's participation structures cannot be transplanted to another, but the fact that other countries have made progress in their own ways suggests that more could be done here.

Need for efficiency

Finally, there is industry's need to become more efficient - and the recognition that British industry is not as effective as industry in many other countries in producing the goods and services we should be producing, so a feeling that some change is needed.

Attitudes to participation

Within industry itself, people's attitudes to participation vary greatly. Among management, there are many who see participation as a desirable and indeed a necessary thing, and most managers who have actual experience of the development of participation in their own companies are highly committed to it.

There are others who see the extension of participation into new areas as inevitable, and are prepared to make the best of it, but are not convinced that it will achieve anything. Some, especially at the lower levels of management, regard it as a potential threat - an erosion of their own authority and their ability to achieve results.

On the whole, however, management is generally prepared to give participation a try, but with widely varying expectations as to what it will achieve. It is also a fairly common view among management that managers themselves are more willing to introduce participation than employees generally are willing to respond.
Employee attitudes do indeed differ considerably. Certainly there is no apparent urge of pressure for participation from the shop floor in companies where at present there are few if any examples of participation in practice. On the other hand in companies where participative practices have been developed to any significant degree, there is usually a much higher level of response. People come to appreciate the value of participation by experiencing it, not in the abstract and that is true for managers as well as for the workforce generally.

Direct and indirect participation

The response may vary also according to what form participation takes. Here one may distinguish between direct participation, involving the individual in relation to his own job and his immediate working environment, and indirect participation, where most employees are involved only through representatives.

Direct participation at the workplace

Direct participation may take many forms, from improving the quality of the job itself to sharing the financial rewards of increased productivity. To be really meaningful to the employee, however, it will include:

(a) The provision of all information relevant to his job.
(b) Consultation particularly about changes that may affect him.
(c) A personal involvement in the decision making process at his own level.

Experience shows that for the great majority of employees, this is What they are most interested in and regard as important. Indeed without direct participation, giving the individual a greater personal satisfaction in his own job, participation at other levels is unlikely to be successful, and will have little meaning for most employees.
Direct participation is possible at every level of the enterprise, but it should start with the basic participation unit, the workgroup — the supervisor with the groups of employees for whom he is responsible. But supervisors, at whatever level, cannot be expected to adopt a participative style of management towards their workgroups if they are not themselves involved in participation with their own superiors.

**Indirect participation through representation**

In contrast, indirect participation has relatively little appeal for the majority of employees; and in most situations only a small minority are willing to take on a representative role, even in a limited capacity in their own workplace. Those who are, however, are often the leaders who influence the opinions and attitudes of others, and given the opportunity; participate, they will take it, and carry their fellow workers with them; but if frustrated, their personal dissatisfaction may be contagious, and an apparently indifferent workforce may suddenly seethe with resentment over the most trivial issue.

**Employees who are not interested**

In any situation there will of course be some who are simply not interested. They want only to come to work, do their job, get paid, and go home, and they do not want any involvement beyond that. This is quite natural, people's natures do not change when they go to work, and many people do not want more than minimum involvement in any capacity.

Even if at the beginning a large number of employees appear to be in this category that is no reason for not going ahead. Some may seem indifferent only because they have never been given any opportunity or encouragement to become more involved. With some, attitudes may change through experience. But in any event, participation should be geared to the highest levels of expectation, not the lowest.
Structured participation more developed

Although most employees are more interested in direct rather than indirect participation, it is participation through representation that has been given most attention, and that has usually been further developed, in many companies. This may be partly because representatives already exist - the shop stewards - and they are interested in extending their own role; partly because management finds structured participation easier to deal with; partly because it is becoming the fashion to have a joint consultative committee or council - there are fashions in participation too!

Whatever the cause, it is fairly common where this has occurred to find some disappointment with the representative structure and the feeling that it is not living up to people's expectations. Management may feel it is not achieving much (although management's assessment of a consultative committee is often higher than that of the employee representatives); the representatives may think it is not dealing with real issues that matter; and the workforce generally may be indifferent not only to the committee itself, but to any proposals for other forms of participation as well.

Where on the other hand there is a high degree of direct participation, not only on the shop floor but at all levels in the enterprise, representative participation structures are usually also much more significant and successful. With an imbalance in favour of indirect rather than direct participation, neither seems to work well - with the right balance, they reinforce each other.

2(a) Participation in Decision Making

There are two primary reasons for employees to have an involvement in decision making. One is what the EEC has called the democratic imperative - that those who are liable to be affected by a decision should have the means to influence it. The other is to secure commitment. A
decision is only as good as its implementation, and those who are involved in making the decision are usually much more committed to making it work.

This emphasizes how different participation is from the more traditional style of management and of running a company. The function of management is to plan and use the resources of the company, resources of capital and resources of manpower, in the most effective way possible. Strategic and policy decisions are taken by the board of directors; implementation is the responsibility of line management, and individual managers are accountable for their own performance and the performance of those for whom they are responsible.

Except for the board of directors, who share corporate responsibility and whose decisions are joint decisions (however much some boards may be dominated by a strong chairman), traditionally managers have relied on their own judgment in making their own decisions. Many managers will seek the views of their subordinates who will be affected by the decision, or involved in its implementation, before making up their minds; but they are not under any obligation to do so. The individual manager is responsible for his own decisions, and how he reaches his decisions is also his own responsibility.

With participation, however, consultation becomes the norm for a whole range of managerial decisions, and on some issues there may be a process of co-determination or joint decision making.

Different style of management

Participation therefore calls for a quite different management style. Some people have called it management by consent, but it is more than that. The manager becomes a leader rather than a boss, he becomes a decision maker rather than a decision taker, and he recognizes the contribution that other people can make to the decision making process.
He remains accountable; and holds that although other people's judgments as well as his own are involved in his decisions, his performance and the performance of his department will thereby have improved. He will moreover himself be involved in the same process at higher levels in the organization, where no doubt he will feel that his own contribution is worth while.

**Management qualities**

Compared with authoritarian management, participation calls for much stronger qualities of personality and leadership. Managers need to have more confidence in themselves, they have to be prepared to have their ideas questioned and challenged, and be able to justify them without being defensive. They need to have more confidence in other people, their superiors as well as their subordinates. Towards their subordinates they have to recognize the value of other people's judgment, and to acknowledge that their subordinates may sometimes have ideas better than their own. Towards their superiors they have to be able to express their own ideas honestly and confidently, not just say what they think their superiors would like to hear. And they must know they have the full support of their superiors in managing their own departments in a participative way.

The participative manager needs also to be master of his subject. There is no cloak of 'because I say so' behind which he can hide his limitations.

Participative management is not easy. There are of course some for whom it is their own natural style, but for many it means a quite significant change of attitude. And it must be recognized that there are some for whom it seems impossible - we shall revert to them in a later chapter.

**Decisions may take longer**

Managers have to spend more time talking with people. And it is common experience that it often takes longer to reach a decision by a
participative process than if decisions are taken unilaterally by management.

What is also common experience; however is that the decisions are usually implemented more effectively. They are less likely to meet resistance, those who have been involved in the decision making process are committed to their success; and if problems do arise there is more cooperation in overcoming them.

There are of course some decisions that just cannot wait; but if a participative style of management has been established, people are much more ready to accept unilateral decisions when they recognise that circumstances require them.

Most managers who have practical experience of developing participation in their own organisation say that it is both more satisfying and more efficient, and they find they are able to manage more effectively than before. Their own role has changed, as has the division of their time between different operations; but so far as their overall management objectives are concerned, participation has improved their level of achievement.

**What kind of decisions and at what levels?**

With what kind or range of decisions should employees be involved? The answer must be, potentially any decision which may affect employees or employee interests, in either the short or the long term.

That does not leave much ground uncovered!

But the question of what kind of decisions is related also to the levels at which decisions are taken. There are local decisions about how work is organised, both on an on-going basis and when introducing change. There are decisions affecting terms and conditions of employment. There are central strategic decisions that will affect long term employment prospects.
At every level decisions fall into two classes - decisions about what to do, policy decisions; and decisions about how to do it, implementation. Sometimes policy decisions will be taken at one level and implementation will be at a lower level, or alternatively at the same level but by different people. Sometimes and on some issues the same individual or group may be responsible for both policy and implementation.

Often however, the degree of involvement that may be possible will differ - there may be more participation in decisions about implementation than in policy decisions.

**Participation processes**

There are different processes of participation through which employee influence is brought to bear on decision making, and there should be flexibility to choose the process most appropriate both for the particular kind of decision, and for the level at which it is taken. Participation does not mean that everything must be done in exactly the same way.

**Consultation**

First, what may be regarded as the basis of all participation is consultation. This is when employees are consulted in advance before decisions are made. Consultation may be either on specific proposals put forward by management, or in an open situation - the 'blank paper' approach - but the essence of it is that the views and recommendations of those consulted are fully taken into account by whoever is responsible for taking the final decision.

Consultation can be a very effective process for employee involvement in decision making, but do not call it consultation if you have already made up your mind what you are going to do! It will only cause frustration and resentment if management in effect says 'Yes, very interesting, but actually we've already decided what we are going to do - we just wanted to find out what you thought about it.' If that is the
position, it calls for a 'tell-sell' approach, and this should be made clear from the beginning. With consultation, management must basically be prepared to go along with whatever recommendations may emerge, or be able to show very good and convincing reasons why it is unable to do so.

But the ultimate decision is taken by management, and it is management's responsibility - there is no shared responsibility.

**Joint decision making**

The next process of participation is joint decision making or co-determination. Collective bargaining is a form of co-determination. In collective bargaining a decision is reached by a process of negotiation and compromise between different starting positions, but the ultimate decision is neither management's nor the union's, it is determined jointly.

There can however be joint decision making in other contexts, through a process of co-operation rather than negotiation, where there is agreement in advance to accept whatever agreed recommendations emerge.

It is in effect taking consultation one stage further, but the difference is critical. In consultation it is understood that, in the end, management will take the decision. The purpose of consultation is therefore to ensure that management is aware of, and fully takes into account, employees' views and recommendations.

With joint decision making, however, the decision itself is made by the group. This means that the group has a responsibility to reach agreement, whereas with consultation, whilst one may aim at agreement it is not essential.

Joint decision making therefore calls for a rather different approach by all parties, and a greater commitment to reach agreement. It means also that management is committed to accept whatever decision emerges. And it means that both parties share responsibility for the decision.
Joint responsibility?

Joint responsibility for shared decisions is however a rather open question. On some issues it may be possible, and employees will feel as committed to the decision as management. But on some issues, where decisions would otherwise be taken by management as part of management's normal responsibility, the employee side may feel that although they have shared in making the decision, responsibility for it should remain with management. This is not necessarily an unreasonable attitude, especially if employee involvement has been on management's initiative; and even without shared responsibility, there is likely to be a much greater commitment to making the decision work.

Criteria for joint decision making

In what circumstances should there be consultation, and when can the issue be opened to joint decision making? This depends largely on management's position in relation to the issues to be determined, and what flexibility there is. There may of course be other constraints, such as time. But other constraints apart, joint decision making may be possible if the issues can be framed in ways such as the following:

1. 'We have to decide whether or not to do this, but it is not critical whether we do it or not.'

   But if it is critical, neither joint decision making nor consultation may be possible, it may be a matter for communication.

2. 'We have to do either this or that, but it is not critical which.'

   This is one of the situations where joint decision making can be most rewarding. If management decides unilaterally, there may be resistance, whereas if it is a joint decision, there will be commitment.

Issues that can be put in the form of these first two questions are policy decisions - what to do.
'We have to do this, it is a matter of policy, but what we now have to decide is how to do it, we want to find the best way.'

This is an implementation question. There may of course have been consultation over the policy decision itself, but joint decision making may be possible over implementation. It is again a situation where the outcome can be very rewarding; but opening the question to joint decision making rather than consultation must reflect management's confidence that the best solution will in fact emerge. 'Best' may however really mean 'most acceptable', and the degree of commitment from the joint decision making process may be the most important factor.

'We have this problem on our hands, we have to find the best way of dealing with it.'

Putting this kind of issue to joint decision making again must reflect management's confidence that an acceptable solution will emerge. But in some situations, depending on what the problem is, a joint solution may be the only way of getting a solution at all.

'We have an entirely open situation; we have to decide in which direction to move.'

If the issue is one of implementation within an established policy, then this is the same as question 3. As a policy question, however, it is more likely to be possible with social rather than business decisions. But it is certainly an appropriate question, and joint decision making is the appropriate process, for deciding what is going to be done about the development of participation itself.

All these questions could of course be subject to a consultation process as an alternative to joint decision making. But the degree of participation is greater with joint decision making.
Criteria for joint consultation

There are other situations, however, where management may feel able to consult, but not to expose the issue to joint decision making. These might include questions such as the following:

1 'We have to decide whether or not to do this, there are many factors to be taken into account, not least the views of employees. But we as management will have to balance all the different factors in reaching a decision.'

2 'We have to do this or that, there are many factors, and we need to know what employees' views are, and what weight they should be given in striking the balance. But the decision must be our responsibility, we shall be accountable.'

3 'We have to do this, it has been decided as a matter of policy, but how we do it is an open question. There are however some constraints which would make some solutions impracticable, so although we hope to reach agreement, we have to reserve our position'

4 'We have this problem on our hands, we have to find the best way of dealing with it. But in any solution there will probably be conflicting interests, so although we need to consult employees to find the optimum solution, we should not expect them to share responsibility for it.'

Co-determination by right of veto

Another form of joint decision making or co-determination is where management decisions cannot be taken without the agreement of employee representatives. The employee representatives have in effect a right of veto. This is the position in some European countries, where a works council's agreement is necessary for a range of decisions affecting employment and employment prospects - mainly issues that in the UK would come within the scope of collective bargaining at plant level.
In West Germany, where the process has been taken furthest, works council agreement (with a provision for arbitration in the absence of agreement) is required for many issues in the fields of welfare, personnel policies and even business decisions.

The list includes:

- arrangement of working hours and breaks
- holiday schedules
- overtime and short-working arrangements
- allocation of houses and flats provided by the employer
- job evaluation, piece rates, wages structures
- workers' conduct on the shop floor
- training
- accident prevention and health protection
- hiring and firing and promotions
- allocation of work
- transfers and regrouping
- shutdowns and staff cuts
- relocation of works
- reductions or alterations in the scale of operations

**Delegated authority**

A further process of participation in decision making is delegated authority. It is characteristic of a participative style of management that all decisions are taken as far down the line as possible, and employees are given maximum responsibility for their own jobs. This is a process that need not stop with management, there can be specific authority delegated to the workforce. There is no law that says that all decisions must be taken by a manager! Workgroups can be responsible for arranging their own programme, individual employees can be given authority in specific areas.
Industrial democracy

Consultation, co-determination and delegation of authority can occur at any level in the enterprise, from workplace to boardroom. They may involve either direct or indirect participation, and they may cover both policy decisions and decisions on implementation.

Industrial democracy, on the other hand, is the one form of participation that:

Is essentially concerned with decision making at the central level of the enterprise.

Involves only indirect participation through representation. Involves employee representatives in the actual decision taking, it is a process of co-determination, not consultation. Is concerned with policy - what to do - rather than with implementation.

Some of the issues raised by industrial democracy are considered further in Chapter 8. But industrial democracy should be seen as one form or process of participation, it is not the only form, and without a sound substructure of participation, direct and indirect, at other levels and through other processes, industrial democracy alone would have little relevance for most employees. It is too remote.

Workers' control

What is sometimes regarded as a further process of participation is workers' control. This is where the decision makers in an enterprise are ultimately accountable to the workforce. The employees themselves may or may not have any part in the decision making process. At the extremes, there could be management by an elected committee, or the workforce may have appointed a totally authoritarian management. But management is ultimately responsible to the workforce, not to any outside body or group of people.
A producers' co-operative is a good example of workers' control. A common ownership company is another; although with common ownership, it is also possible for the founding trust to establish the employees as owners and beneficiaries in place of shareholders, but to vest control elsewhere.

One of the dangers of workers' control is that it may lead to a company being run as a mutual benefit society for employees and management, rather than submitting to the discipline of the market place and serving the needs of the customer. That may be possible for a short time and in favourable circumstances, but in the end it is a recipe for disaster.

This danger is less likely with producers' co-operatives and common ownership companies than it would be in other situations, because the employees have a double interest, as employees and as owners or shareholders, and they have to balance their interests in one capacity against those in the other. But workers' control in situations where the employees are not also the owners would almost inevitably lead to employee interests being advanced at the expense of other parties, whether they be outside shareholders in the private sector, or the community generally in the public sector.

**Market considerations**

The market place is something the should not be forgotten in any discussion of participation, especially involvement in decision-making at higher levels. There is not a free choice in many decisions. In some instances there may indeed be no choice at all, the decision may be entirely determined by market considerations. Participation cannot alter the reality of that situation. All parties have to recognise therefore that at some times and on some issues there can be no real involvement in decision making at all, the most that is possible being an explanation and appreciation of the reasons why a particular decision has to be taken. This is a process of information and communication rather than participation.
Provision of information

In many discussions about participation, information and communication, rather than consultation, are put forward as the first and basic forms or processes of participation. There are indeed some who regard the provision of information as synonymous with participation, and all that is necessary.

Certainly without information, any form of real participation is impossible. Employees or employee representatives cannot effectively share in decision making unless they have all the information necessary for forming a considered judgment. Employees cannot effectively do their own jobs unless they have adequate information. And unless they really know what is going on, their willingness and their ability to co-operate with management will be limited.

The provision of information is therefore of first importance. But it is not itself participation, it is not a sharing in the decision making process. It is not participation to be at the receiving end of an information flow. Even two-way communication does no more than provide a channel for response. Information and communication are the essential tools of participation, but participation begins only when there is prior consultation before decisions are reached.

Participation process gauge

What is sometimes described as a management style scale may be usefully adapted into a participation process gauge (Exhibit: 2.1).
### Exhibit: 2.1

**Participation Process Gauge**

<table>
<thead>
<tr>
<th></th>
<th>Management action</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Management makes a decision without any discussion with employees. Employees are not informed of the decision afterwards</td>
<td>ZERO</td>
</tr>
<tr>
<td>B</td>
<td>Management makes a decision without any prior discussion with employees, and simply informs them of it afterwards</td>
<td>INFORMATION</td>
</tr>
<tr>
<td>C</td>
<td>Management makes a decision without prior discussion with employees, and afterwards informs them of it and explains the reasons behind the decision</td>
<td>INFORMATION/COMMUNICATION</td>
</tr>
<tr>
<td>D</td>
<td>Management sorts out its ideas, makes a plan, and asks employees for their views, but tells them that because of other constraints their views can make little or no difference to the decision itself</td>
<td>COMMUNICATION/CONSULTATION</td>
</tr>
<tr>
<td>E</td>
<td>Management sorts out its ideas, makes a plan, asks employees for their views, and fully takes them into account in making final decision</td>
<td>CONSULTATION</td>
</tr>
<tr>
<td>F</td>
<td>Management fully shares the problem with employees without any preconceived plan - but after all the talking management makes the decision</td>
<td>CONSULTATION/JOINT DECISION</td>
</tr>
<tr>
<td>G</td>
<td>Management fully shares the problem without any preconceived plan - and after all the talking the decision is shared</td>
<td>JOINT DECISION</td>
</tr>
<tr>
<td>H</td>
<td>Management identifies the problem and asks employees to find a solution</td>
<td>DELEGATED AUTHORITY</td>
</tr>
</tbody>
</table>
Different processes for different decisions:

What may be the most appropriate process of participation for any particular issue will depend on many factors. The are shown in Exhibit 2.2:

Exhibit: 2.2

Process for Decision Making

<table>
<thead>
<tr>
<th>Sr.no.</th>
<th>Process for decision making</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The nature of the decision</td>
</tr>
<tr>
<td>2</td>
<td>The level at which it is taken</td>
</tr>
<tr>
<td>3</td>
<td>Who is responsible for it</td>
</tr>
<tr>
<td>4</td>
<td>How much time is available</td>
</tr>
<tr>
<td>5</td>
<td>Whether it involves direct or indirect participation</td>
</tr>
<tr>
<td>6</td>
<td>What contribution employees can make to the decision</td>
</tr>
<tr>
<td>7</td>
<td>What participation structures exist</td>
</tr>
<tr>
<td>8</td>
<td>The attitudes of those involved</td>
</tr>
<tr>
<td>9</td>
<td>What degree of commitment is needed</td>
</tr>
<tr>
<td>10</td>
<td>What has been done in the past in similar situations</td>
</tr>
</tbody>
</table>

There is also the risk factor. What is the risk of the wrong decision emerging from the participative process? And what damage could result if it did? But also, what risks are there in the industrial relations field, if employees are not involved? And what is the risk of non-implementation?

Decision making matrix

Many issues arise ad hoc, and how to deal with them will have to be determined on an individual basis. It is however a useful exercise to make a list of recurring or anticipated areas of decision making, and see where they do or could fit on a matrix showing the different levels at which the decisions are normally taken, and the most appropriate process of participation for them.
This is an exercise that, in the development or extension of participation in the company, could itself be a participation activity. One of the first questions would then be, what we are doing now a process of consultation or joint decision making?'

Exhibit : 2.2 on page 29 and the lists of subjects that follow do no more than indicate the possibilities.

Examples of typical decisions arising at different levels in an organisation

Examples of typical decisions arising at different levels in levels at work list in an organization can be listed as under.

<table>
<thead>
<tr>
<th>Sr.</th>
<th>Decisions related to workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Lighting/heating/ventilation</td>
</tr>
<tr>
<td>2.</td>
<td>Health/safety</td>
</tr>
<tr>
<td>3.</td>
<td>Protective clothing/uniform</td>
</tr>
<tr>
<td>4.</td>
<td>Personal tools</td>
</tr>
<tr>
<td>5.</td>
<td>Plant design and layout</td>
</tr>
<tr>
<td>6.</td>
<td>Good housekeeping</td>
</tr>
<tr>
<td>7.</td>
<td>Workgroup organisation/allocation of work</td>
</tr>
<tr>
<td>8.</td>
<td>New machinery</td>
</tr>
<tr>
<td>9.</td>
<td>Job rotation/enlargement</td>
</tr>
<tr>
<td>10.</td>
<td>Changing work processes</td>
</tr>
<tr>
<td>11.</td>
<td>Job evaluation/grading structure</td>
</tr>
<tr>
<td>12.</td>
<td>Monitoring performance</td>
</tr>
<tr>
<td>13.</td>
<td>Quality control</td>
</tr>
<tr>
<td>14.</td>
<td>Waste reduction</td>
</tr>
<tr>
<td>15.</td>
<td>Drivers' schedules</td>
</tr>
<tr>
<td>16.</td>
<td>Customers' complaints</td>
</tr>
</tbody>
</table>
Examples of typical decisions arising at different levels related to works can be listed as under

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Decisions related to works</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manning/recruitment</td>
</tr>
<tr>
<td>2.</td>
<td>Equal opportunity/promotion</td>
</tr>
<tr>
<td>3.</td>
<td>Internal vacancies</td>
</tr>
<tr>
<td>4.</td>
<td>Overtime/short-time arrangements</td>
</tr>
<tr>
<td>5.</td>
<td>Early retirement</td>
</tr>
<tr>
<td>6.</td>
<td>Wages/salaries, bonus schemes</td>
</tr>
<tr>
<td>7.</td>
<td>Sick pay</td>
</tr>
<tr>
<td>8.</td>
<td>Working hours/holidays</td>
</tr>
<tr>
<td>9.</td>
<td>Flexitime</td>
</tr>
<tr>
<td>10.</td>
<td>Proficiency awards</td>
</tr>
<tr>
<td>11.</td>
<td>Induction policy</td>
</tr>
<tr>
<td>12.</td>
<td>Training/retraining</td>
</tr>
<tr>
<td>13.</td>
<td>Company rules/employee handbook</td>
</tr>
<tr>
<td>14.</td>
<td>Grievances/disciplinary procedures</td>
</tr>
<tr>
<td>15.</td>
<td>Absenteeism</td>
</tr>
<tr>
<td>16.</td>
<td>Redecoration of works</td>
</tr>
<tr>
<td>17.</td>
<td>Setting and achieving targets</td>
</tr>
<tr>
<td>18.</td>
<td>Productivity agreements</td>
</tr>
<tr>
<td>19.</td>
<td>Factory/shop re-organisation</td>
</tr>
<tr>
<td>20.</td>
<td>Shutdown for maintenance</td>
</tr>
<tr>
<td>21.</td>
<td>Use of contractors</td>
</tr>
<tr>
<td>22.</td>
<td>Works security</td>
</tr>
<tr>
<td>23.</td>
<td>Pollution/environmental problems</td>
</tr>
<tr>
<td>24.</td>
<td>New products</td>
</tr>
<tr>
<td>25.</td>
<td>Participation structures</td>
</tr>
<tr>
<td>26.</td>
<td>Amenities/social activities</td>
</tr>
<tr>
<td>27.</td>
<td>Catering arrangements</td>
</tr>
</tbody>
</table>
Examples of typical decisions related to company can be listed as under.

Sr. No.  Decisions related to company
1. Getting into new business/diversification
2. Expanding existing business/new markets
3. Locations
4. Merging of sites/closures
5. Decisions on purchase of equipment
6. Decisions on priority of spending between and within works
7. Long term manning policies
8. Company wide wage/salary structures/collective bargaining
9. Retirement policy/pensions
10. Profit sharing/employee shareholding
11. Mergers/takeovers
12. Finance/capital

Exhibit 2.3 will help to study level of process in decision making as under.

**Exhibit : 2.3**

**Different Levels of Process in Decision Making**

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>WORKGROUP</th>
<th>DEPARTMENT</th>
<th>WORKS SITE</th>
<th>DIVISION/REGION</th>
<th>CENTRAL COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCESS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INFORMATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONSULTATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DECISION BY AGREEMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DELEGATED AUTHORITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEGOTIATION</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Some companies may find it suitable to group subjects under different headings from those suggested, e.g. investment decisions, work organisation, trading, employee relations, social questions. Others may prefer to make a random list according to their subjects. However the list is compiled in will soon become clear that some issues could, and some should, be dealt with in more than one way.
It will also be apparent that some issues arise at more than one level. For example, using contractors might call for a policy decision at works level, after a process of consultation with a representative works council - indirect participation. Decisions on what specific work to put out to contract and what contractors to use might then be left to departments or even workgroups, where there could be either consultation or joint decision making.

Decisions taken in a workgroup could involve the whole group in a process of direct participation, or there could be indirect participation through shop supervisors. At departmental level, there could be direct participation of the supervisors and indirect participation of the shop floor through a departmental committee, or even without a committee, again through shop supervisors.

**Who does what?**

A decision making matrix will help managers to know who does what, and what is expected from them. On what issues should there be consultation, and with whom? What decisions are subject to a process of joint decision making, and who is involved? When should there be simply a process of information and communication, and who is responsible?

**What structures are required?**

It will also help to clarify what particular participation structures may be needed, and at what levels. There is no point in having a committee if it has nothing to do. On the other hand if it is apparent that many of the important issues are at department level, and all that at present exists is a company council, some intermediate structures may be indicated.

We shall return to the question of structures in Chapter 4.
Participative Management and its comparison & correlation with the workers' participation in Management:

Originally, the workers' participation in management emanated from the horror of Marxian theory of class conflict and was suggested as its antidote. It is after decades' long struggle between labour and management that both the parties have come to close understanding that participation and co-operation between them would solve most of the problems resulting in enhancement of labour productivity, labour efficiency and profitability of the enterprise. This type of feeling was further strengthened by such other factors as:

(i) The increased application of Technology to industry, which has necessitated the growing co-operations of worker; because of the complex operations of production,

(ii) The changed view, that employees are no longer servants; but are equal partners with their employees for the attainment of the goals of the enterprise,

(iii) The growth of the trade union, which safeguard the interests of the workers and protect them from possible exploitation of their employees,

(iv) The growing interest of Government in the development of industries and the welfare of workers, and

(v) The need for increased and uninterrupted production, which can be achieved only when there is a satisfied and contented labour force.

Thus, workers' participation in management is considered as participative management for the purpose of collective bargaining to the limited context in the purview of Industrial Relations in the Joint Management.  

18
The general management principles implicated in joint management can be understood best by contrasting them with Taylor's four principles of scientific management (1911)

Exhibit: 2.4

The principles of Scientific Management and Joint Management:19

<table>
<thead>
<tr>
<th>Scientific Management</th>
<th>Joint Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Specify the way in which each task is performed.</td>
<td>1. Let the worker decide how best he\she does the job,</td>
</tr>
<tr>
<td>2. Reward each worker according to the amount he or she produces.</td>
<td>2. Promote co-operation through group rewards.</td>
</tr>
<tr>
<td>3. Hire people who can take responsibility and train them to do so.</td>
<td>3. Hire people who can take responsibility and train them to do so.</td>
</tr>
<tr>
<td>4. Let workers combine thinking and doing; let workers and managers think together.</td>
<td>4. Let workers combine thinking and doing; let workers and managers think together.</td>
</tr>
</tbody>
</table>

Upto 1976, Braverman was believing that scientific-management was dominant. But in 1988, Parker and Slaughter believe that - "the 'team concept' which is perhaps the most common form of employee participation in current use, is an 'intensification of Taylorism".

Joint Management has many names20 For example, the United Auto Workers (UAW) and General Motors use the term- quality of working life (QWL). The UAW and Ford used the term 'employee involvement' (EI). Groups of workers and managers who met to identify and solve problems may be called quality circles in one organization, production Committees in another, and planning teams in a third. So, here the term 'joint management' is used to describe any situation where labour and management have entered into an agreement to sponsor an employee
The joint union management sponsorship of employee participation in efforts is creative of economic necessity. Until 1974, joint management in North America occurred mainly in a few private sector workplaces that used the Scanlon Plan. These firms often set up parallel organizations. Their Committees, however, did not deal with conditions of employment; but limited themselves to solving production problems.

**Joint Management the parallel organization and the Autonomous work Team:**

Joint Management occurs when a union and a management enter into an agreement to provide employees with greater opportunities for participation in the decision-making process. In cases, these agreements specify the parallel organization as a means of providing these opportunities. Sometimes, units of the parallel organizations are set up at every organizational level and are used to design and support autonomous work team.

In other cases, the parallel organization consists of only one top-level labour management committee. In these cases, participative practices such as the autonomous work team are integrated into the management structure. This research proposes a form of joint management that is based on written agreements and administers these agreements through a visible structure of joint labour management teams at all levels of the organization.

Our ideal parallel organization consists of integrative bargaining teams (called 'action teams') at each level of the organization. Each organizational unit at each level has its own action team. At higher levels, an action team might have as many as six or seven "Planning teams". It
should be for its actual problem solving and proposal writing. Both action and planning teams consist of elected representatives from the various labour and management work place interest groups those are affected by their bargaining. First and middle managers, as well as workers, elect their own representatives. These representatives do not represent the views of top management. They represent the views of their constituents. Worker representatives are titled "participation stewards" and are authorized in the unions' bylaws. At the bargaining unit level, the action team handles integrative bargaining and the bargaining committee handles distributive bargaining. The action and planning teams meet frequently (weekly, bi-weekly or monthly). This contrasts with the bargaining committee, which normally meets only at contrast time.

Now, as the unions are involved in participative programmes, the contexts of participation theory has changed. The well-being of the worker must be given an importance at least equal to that of productivity, and ways must be found to ensure that the worker shares in any productivity gains. Further, the factors affecting control and productivity can no longer be manipulated solely by management. The workers must now participate in any decisions about these factors.

These are two kinds of participation available for use in joint management programmes; direct participation and representative participation.

Direct participation involves employees in the decision-making process without any intermediaries (for example, the members of an autonomous work team - all participate directly in planning and coordinating the work of the team).

Representative participation is used where the number of people affected by a decision is too large for all of them to sit down and solve problems together. It is extremely difficult to solve problems effectively
with more than seven to nine people. Therefore, if employees are to be involved in decision-making, the autonomous work team level representative participation is necessary. The parallel organization provides for representative participation at each decision-making point in the organization.

The first step, here is to propose a set of relationships among joint management, the collective resource approach to design extended bargaining. The parallel organization and the autonomous work team denotes participation in management.

Joint Management is any situation, where a union and management agree to work together to involve workers in the decision-making process. This involvement may occur only at certain levels of the organization (like the autonomous work team) and may be restricted to certain kinds of problems (like production problems) or it may occur at all levels of the organization, include all kinds of problems (like production and working conditions problem).

The parallel organization is a structure within which extended, integrative multilateral bargaining can take place. This bargaining produces "Social integration" - harmony within the social systems of complex organizations (Herrick, 1985). The autonomous work team is a method of organizing the work unit so that its members can participate to a greater extent in making day to day and hour to hour decisions. Its a part of integrative bargaining process.
2(b) Industrial Democracy and Workers' Participation in
The Technology of Participation (TOP):

The term; 'participation' or 'participative management' consists of following characteristics :-

(i) Flexibility and responsiveness to change,
(ii) Innovative thinking,
(iii) Informal communication,
(iv) Continuing education and learning,
(v) Visionary leadership and emphasis on quality.

As per Ralph Borra\textsuperscript{23} - "Companies that will survive are going to be participative. Industrial and organizational psychologist Marshal Shashkin reports that "Clear research evidence shows that participative management improves performance." Thousands of companies have responded to such heraldings. Giant units like 3M have implemented participative programmes as the vital matrix for building winning teams.

Through a system called Technology of participation, this research explains vital and underlying principles and examines step by step techniques. That have yielded winning performance for leading companies developed by the I.C.A. (Institute of Cultural Affairs), Chicago, U.S.A. The technology of participation (TOP) has achieved outstanding results just about everywhere it's been tried. From the observations of neighborhood stories to the board rooms of Fortune 500 Companies TOP has boosted progress, has improved performance and has yielded impressive Management results. Conoc, Dupont, General Mills, Honeywell IBM, Kellogg, McDonald's, 3M, Mobil Procter & Gamble, Sears, Shell, Time Life and United Airlines. These are few names to enlist. Many clients who engage TOP initially for problem solving strategic planning find that it works equally well for team building, leadership, development, redefining the corporate mission and philosophy and strengthening organization development. The term 'Technology of Participation' is new; but its methods are not new, they have been developed, tested and redefined over fifty years, proving successful with organizations of all types, of all sizes of all industries and in all parts of the world.
The Top strategic planning process consists of - (i) Practical vision, (ii) Underlying contradictions, (iii) Strategic Directions, (iv) Systematic Actions, (v) Implementation Timeline.

The McDonald's Corporation, for example, increased sales 10-20% in markets where managers and franchisee owners applied TOP methods. Houston's Hughes Tool Company introduced a manufacturing process that yielded a productivity index of over 110%. A subsidiary of Sun Chemical Company of New York increased its sales by 40% in just six months using TOP methods.

Participation - getting employees involved in the company's planning and problem solving tasks - can animate and inspire a project team, a department, even an entire Corporation. When employees are actively brought into the mainstream by working together as a team to develop a plan for improving company operation, for example, they become highly motivated to carry it out. As the I.C.A. expanded to 34
nations, its methods proved effective among groups representing diverse socio-economic and cultural backgrounds.

As business and government organizations became aware of the group planning and leadership development skills so effectively executed by the ICA among local communities, that they sought ICA facilitators for their own planning or problem solving sessions. In response to such varied corporate and organizational requests, several programmes were developed under numerous names and for various purposes. LENS (Leadership Effectiveness and New Strategies) and strategic planning and implementation are two of the most widely known of these programmes. The clients of ICA have included Amoco, Bell Labs, Coca Cola and Colgate Palmolive.

EXHIBIT 2.5
The Practical Vision

<table>
<thead>
<tr>
<th>I</th>
<th>Towards a Revitalized Corporate Identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>Towards consistent Reliable Performance Standards</td>
</tr>
<tr>
<td>M</td>
<td>Towards Recaptured market share and financial strength</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unified family Image</th>
<th>Public Relations Programme</th>
<th>Diversified customer service</th>
<th>Competitive market strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>Bold Corporate Identity 1</td>
<td>Community Involvement Activities 3</td>
<td>Professional performance standard 5</td>
<td>Total Service facilities 9</td>
</tr>
<tr>
<td>Regular Internal Communications 2</td>
<td>Multi-medial Promotion and Advertising 4</td>
<td>Guaranteed Product Integrity 7</td>
<td>Expanded Product lines 10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Modernized Facility Renovations 8</td>
<td>Consistent Product Supplies 12</td>
</tr>
</tbody>
</table>

57
Column 1 includes uniforms, store appearance, Company/family leadership Damage

Column 2 includes Monthly news letters, Quarterly Retailer Plan, Regular Planning Sessions etc.

(2) The underlying Contradictions:

Mainly it consists of the following items:

(i) Unavailable Equipment Spares,
(ii) Obsolete Equipment,
(iii) Insecure store Building structure
(iv) Unutilized facilities,
(v) Poor workmanship and Maintenance of stores,
(vi) Inconsistent store Design and Appearance,
(vii) Neglected Appearance of stores,
(viii) Funds improperly allocated (maintenance),
(ix) Inadequate Retail facilities,
(x) Poor Facility Maintenance,
(xi) Limited Store Space,
(xii) Inconsistent strategic Directions
(3) **Setting strategic Directions**

Exhibit: 2.6

- Family Innovation
  - Effective Organisation Communication
  - Ongoing Comprehensive Training
  - Quality Value
    - Training School External Consumer Awareness Campaign etc.
    - Service Orientation Selective Credit Facilities etc.
  - Dissemination
    - Technical
    - Phased Modernisation Campaign etc.

- Aggressive Integrated Marketing approach
  - Visible Retail Facility Transformation
  - Co-ordinated Government Representation
  - Equitable Private Market Participation etc.

- Renewed Image
  - Aggressive Integrated Marketing approach
  - Family Innovation
4) Designing the systematic Actions :

Exhibit: 2.7

I
Promoting
The Story of the

II
Maximizing
Implementation
Means

II
Marketing
Development
Programme

(A) Information
Dissemination
Update Information
Establish Star Recognition
Design Advt.
Campaign

(B) Finally involvement
Programmes etc.

(C) Resource Utilization
Local Manufacturing Facility etc.

(D) Comprehensive
Enlightenment
National Awareness
& Education Campaign etc.

5) Drawing the implementation Time line :

90 Day implementation time line has been drawn for result orientation. TOP strategic planning session consists of following care methods of TOP :

(i) The TOP focused conversation method,

(ii) The TOP workshop method,

(iii) The TOP event planning and orchestration technique

Top strategic Planning process consist of five stages process as under:-

(i) Mapping out a practical vision,

(ii) Analysing underlying contradiction

(iii) Setting strategic Directions,

(iv) Designing the systematic actions, and

(v) Drawing up the implementation time line.
Exhibit: 2.8
Drawing up the implementation time line

1) The TOP - Focused Conservation Method
   ➔ Objective ➔ Reflective
   Getting the Facts
   Decisional
   Future Resolves
   Interprettive
   Values meaning purpose
   Emotions, fellings & Associations

2) The Top Workshop Method:
   Figure: 2.2
   The Top Workshop Method

   Evaluate the work ➔ Set the Context ➔ Brainstorm data & Ideas ➔ Order the date into categories ➔ Name the Categories

3) Top Event Planning And Organisation Techniques:
   Exhibit: 2.9

   ➔ 1) Program Design procedures.
   ➔ 2) S.T.E.P.S. for Effective meetings.
      - Space
      - Time
      - Eventfulness
      - Product
      - Style.
The phrase 'industrial democracy' has generally been accepted in the sense of workers' participation in management and has been defined in various ways. It implies a situation where workers representatives are to, some extent, involved in the process of decision making by management; but where the ultimate power is in the hands of the management.

Clegg H.A.\textsuperscript{13}, a leading thinker in the industrial relations field in England, drew a parallel line between political democracy and industrial democracy. He argues that democracy can not function without an effective opposition. As defined by Keith Davis\textsuperscript{5} (1977-1840) "Genuine participation requires" the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibilities in them." Thus, there are three important elements of participation. Firstly, there should be mental and emotional involvement, i.e.; the managers should not merely take opinion of the workers; but involve them in decision making. Secondly, it is making of contribution, i.e.; the workers should have a right to make their own suggestions for arriving at any decision instead of being merely consulted and thirdly, it is the element of responsibility, i.e.; the workers must take any joint decision as their own decision and must strive for its implementation.

Mhetras\textsuperscript{28} (1966-11) has also considered such elements (a) as sharing the decision making power with the lower ranks of the organization, (b) firm belief and confidence in the individual and his ability to contribute, (c) discarding of narrow conventional outlook of antagonism of interest and substituting with community of purpose and (d) establishing co-operation for the well being of labour management and industry. Tanic\textsuperscript{29} an Yugoslavian Sociologist (1969) has defined "workers' participation Management" as such forms of managements, in
which producers are involved in a decision making process as well as in exercising control over policy and administration of the enterprise of the economic system.

Workers' Participation in management at the undertaking level serves three main purposes (a) economic, to amuse increased production, (b) psychological, to secure full recognition of the importance of the human element in industry and given the staff and the workers a greater interest in the general operation of the undertaking and (c) social, to improve industrial relations and thereby promote industrial harmony and peace.

There are different stages of Participation:

**EXHIBIT 2.10**

Different stages of participation

(1) Miss Dorothea (1949:1)
   (a) information sharing
   (b) problem sharing and
   (c) idea sharing and
(3) Mhetras (1966-18-20) five stages
(4) Informative
(5) Consultative
(6) Associative
(4) Administrative
(5) Decisive

(2) Earnest Dale (1959-185)
   (i) Information cooperation
   (ii) Consultative co-operation
   (3) Joint discrimination
(4) Walker and Belle Comle (1967-64-125)
   (1) Participation in the decision of board room.
   (2) Participation in the decision of the manager.
   (3) Participation in the decision of executives
   (4) Participation at supervisory level.
(b) Its implementation in India and Gujarat:

In India, some constitutional changes were introduced in 1919, under the Montagu Chelmsford Reforms and under the provisions of the Government of India (Amendment) Act 1919, the Central Legislative got the power to make legislations in respect of all labour subjects and the provincial legislators got power to make legislations only in respect of labour subjects etc. clarified as provided and that too with the sanction of the Governor General. Thereafter, in 1931, The Royal Commission on labour in India recommended creation of a statutory tripartite organization called the Industrial Council which would meet regularly and examine matters of mutual interest. Before any action could be taken on the recommendations of the Commission, the Government of India Act, 1935, came into operation. With the provincial autonomy granted by the Act and initiative in labour matters passing largely to Provincial (now State) Governments, it was felt that some machinery was necessary for co-ordinating the policies of the different provincial Government.

Meanwhile the outbreak of world war-II created the need or maintaining industrial peace in order to maximise production. The Government, therefore, embarked on statutory regulation for industrial relations through the defence of India Rules and orders issued thereunder, for bringing all the conflicting interests together on a common forum; and for shaping the labour policy. The all India Labour Conference held in 1941 and 1942 and the 4th Labour Conference held in August, 1942, which included representatives of employers, workers, central and Provincial Governments and the princely states, were the result of such action. Although the organization of the tripartite conference owe its existence to the urgent need of the war, it was intended to be placed on a permanent footing and consequently, the institution of the Tripartite Indian Labour Conference came into being as an instrument of the highest form of workers' participation.
Workers' Participation in management was given a statutory basis by the industrial Disputes Act, 1947 Section 3 of the Act, envisages setting up of the work committees in industrial establishments employing more than 100 persons for promoting measures for securing and preserving amity between employer and workman. The planning commission of India, in their report on the Second Five Year Plan (1955-60) stressed among other things, the importance of closer association of labour with management consisting of representatives of management technicians and workers to discuss various matters pertaining to the establishment, and the recommended steps for its better working.

Matters which fall with in the purview of collective bargaining would, however, be excluded from the scope of discussion in the council.

(2C) Legal Concept and Source of JMC :


In 1856, the Government of India deputed Tripartite Study Group to Europe on the spot study of how labour was associated with management in the continent. The Scheme of the workers' participation was first introduced around 1910 in the textile industry. It was one of the oldest organized industries of the country. Then Gandhiji around 1916 fought for textile labour of Ahmedabad and laid down the foundation of Ahmedabad Textile workers after First World War the Tata Iron and Steel Company at Jamshedpur was perhaps the first to set up a works committee consisting of representatives of the management and workers. Then came the enactment of the Industrial Disputes Act 1947. In this act scheme entered into the second phase of its development. The report of the study group was considered by the Indian Labour Conference as its 15th session held on July 11 and 12, 1957 in New Delhi.
A Tripartite Sub Committee set up by the above conference met on August 6, 1957 prepared a scheme of Joint Management Councils, laid down the criteria for selecting industrial undertakings for introducing the scheme and also adopted draft model agreement for the establishment of Joint Management Councils, Laying down their constitution, functions and responsibilities. The draft scheme evolved by the sub-committee was considered and approved by the First seminar on labor management co-operation held in New Delhi on January 31 and February 1, 1958. The recommendations of this seminar were forwarded to the industrial undertaking for their guidance.

In accordance with the foregoing policy enunciated of the planning commission and the guidelines set by the Tripartite Indian Labor Conference, joint management councils came to be organised from 1958 onwards in selected industries where the climate was suitable for their growth and development.

The progress achieved by these joint management councils was reviewed by the second seminar on Labour Management Co-operation held in 1960. The seminar came to the consensus that the pilot stage in introducing the scheme of joint management council was over and that extension of the scheme to as many units as possible should be pursued. Since then, the scheme has been extended to more and more units and by February 1965, joint management councils were functioning in about 95 undertakings of which 35 were in public sector and 60 in the private sector (See Appendix-7).

Workers' Participation in management received further attention when the Administrative Reforms Commission set up by the Government of India appointed in 1966, a study group on the Public Sector undertakings. The group after studying the functioning of the management councils, recommended that for their successful functioning,
greater effort should be put in for educating the re-orienting of the outlook of the study group, the Administrative Reforms Commission, considered the issue of workers' participation in a more effective manner by providing representation of workers on the boards of management of public undertakings and observed that the presence of a non-official member who had long and intimate experience of working in the trade union organizations would be of advantage.

By 1967, as many as 132 joint management councils were functioning in various industrial establishments, of which 47 were in the Public Sector and 85 in the private sector. Out of these, 77 joint management councils were functioning in manufacturing 48 in mining and 7 in plantation industries. Besides, in accordance with the progressive thinking on workers' participation in management, the State Bank of India has constituted a Central Consultative Committee at its central office and a Circle Consultative Committee at each of its 7 local head offices.

**Joint Management Council:**

- **Objectives:** The main objectives of the Joint Management Councils were to promote cordial relationship between management and workers, and to build up understanding. The trust between them affects substantial increase in productivity, to secure better welfare and other facilities for workers and train them to understand and share the responsibilities of management (National Commission on Labour, 1969:344)

- **Structure:**

  Regarding the structure of the body, the decisions resulting from the two seminars stated above, provided that the joint councils to be effective and manageable should consist of equal number of representatives of
management and employees not exceeding 12 in all and in small
undertaking not exceeding six, with the provision that the quorum should
be four, two on each side and the decisions should be taken unanimously.
The essential elements for the formation of the Joint Council laid down
were that the undertaking should have a well established and strong trade
union, which should send workers representatives to the council. But
where more than one union existed, the selection of representatives
should be as the result of argument between the unions. There should not
be any bar in the members of the supervisory and technical staff, to be
nominated as employees representatives, again with the provision that the
trade unions could depute even non employees' to the extent of not more
than 25% of their quota to the council. The JMC's were to be set up at the
unit level; but in undertaking having a number of departments with
separate identity of their own, the Joint Council could set up subsidiary
departmental joint committees to deal with the problems at the
departmental level, or where there are a number of units under the same
management, they could have separate joint councils of their own, with a
central Joint Council for the group of the undertakings. And the Ministry
of Labour would ask the Finance Ministry and ask the Ministry of
Communications to form joint management councils in the Life Insurance
Corporation, Post and Telegraph Workshops and other units working
under Post and Telegraph Workshops and other units working under Post
and Telegraph Department. The chairman and the vice chairman were to
be by rotation consecutively form the management and the labour sides
for one year, the concern labour welfare officer of the concern organisation
will act as secretary and one representative each from the worker and
management side to serve as Joint Secretary.
Functions:

The function of the Joint Management Councils provided for consultative, informative and administrative types of participation. The consultative sphere includes administration of standing order, retrenchment, rationalization, closure, reduction in or cessation of operation. The informative aspect requires giving of information by the management to the workers in respect of general economic situation of the concern, state of market, sales and production. Organization of undertakings, method of manufacture, balance sheet and profit and loss account and other connecting documents; the administrative aspects include sharing of administrative responsibilities by the workers' representatives in the administration of welfare measures, supervision of safety measure operation of vocational training and apprenticeship schemes, preparation of schedules of working hours, breaks and holidays, and payment of rewards for valuable suggestions etc.

Progress and Evaluation:

The Third Five Year Plan (1961-254) provided for progressive extension of the scheme of the joint management councils, expecting that in course of time management cadres would arise out of the working class itself. To secure this end, the Government of India set up a Tripartite Committee on labour management co-operation to advise on the implementation of the scheme and the special cell was established in the department of labour and employment. Then different state governments appointed special officers to promote the scheme. Still the experiment proved ineffective, not merely because their number was very small viz.; 150 in undertakings both in the public and private sector till 1969 when the National Commission on labour submitted its report; but they could not even achieve the objectives for which they were established....while the employers objected to the title of the scheme viz.; workers'
participation in management, the workers often desired to go outside the framework within which the councils were expected to function. The commission found the experiment redundant and unnecessary and merely causing confusion by increasing the multiplicity of tripartite consultative machinery. Although the representatives of central organizations of employers and workers supported the scheme at national conference and committees, they showed inadequate interest in making their JMC. Superfluous (N.C.L. 1969:345). Even before this reporting of the Joint Management Councils as the result of studies of 30 evaluation studies from 196, onwards, this report revealed certain basic deficiencies in their working, viz.; nomination of comparatively junior officers by the management on the joint councils, irregularity of meetings, workers giving attention to their personal interest and welfare, caring little for the problems of production, absenteeism, reduction in cost or efficient working of the undertaking; very rare consultations by the management with the Joint Councils; inadequate or even no information given to workers or even refused when demanded; no transfer of administrative responsibilities, no allocation of fund for their working, no incentive wage or bonus scheme, failure of the management to implement unanimous decisions of the councils.

Mhetras, JQ (1966:227-233) found a greater awareness and better realization of the dynamics of joint management councils lacking in Indian Industries.

Despite the ineffectiveness of the working of the Joint Management Councils, the interest in the country towards worker participation in management did not subside. Although the fourth plan waited for the outcome of the National Commission on Labour, the Fifth Plan (Page:20) provided for managerial training for the rank and file discarding the notion that it was an exclusive reserve for the white collar class and emphasised workers' participation in management.
Introduction of New Scheme of Workers' Participation in Industry:

The new scheme of Workers' participation in Management, a non statutory flexible problem, was declared on October, 30, 1975. The constitution of India was also amended by 42nd Amendment Act of 1976 which provided that the state shall take steps by suitable legislation or in any other way, to secure the "Participation of Workers", in the management of undertaking and establishments or other organizations engaged in any industry, thus making it obligatory upon the State to make workers' participation in management effective. The new scheme related only to the manufacturing and mining industries employing 500 or more workers. Under it, shop consultant the shop floor level and Joint Council at the plant level were to be constituted both in the public as well as the private sector.

Then another scheme was announced on January 4, 1977 applicable to commercial and service organization, in the public sector, including hospitals, post and telegraph offices, railway stations, road-transport corporation, state electricity boards, banks, insurance companies, institutions like Food Corporation, State of Indian Warehousing Corporations, Oil Companies, Air and Land Water Transport and Shipping lines etc. Under this scheme, unit councils at the unit level and joint councils at the Divisional/Regional/Zonal levels were to be formed.

Implementation in Gujarat:

In all the units of Gujarat where 500 or more than 500 workers are engaged J.M.C. has been constituted invariably. This provision is made compulsory in Gujarat. In this scheme, it is provided that there should be minimum five elected representatives of workers and minimum five nominated representatives of the management. Out of 195 Industrial units 87 has implemented this scheme.

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In I.D. Act:

In I.D. Act, the experiment has mainly taken two forms.

(i) the statutory works committee/Joint Committees and
(ii) Management councils accepted voluntarily by central organizations of employers and workers in 1958.

(b) Works Committee:

Section 3(1)(2) of the Industrial Disputes Act, 1947 provides for the setting up of a works committee consisting of representatives of management and employers, in every undertaking employment 100 or more workmen to promote measures for securing and preserving amity and good relations between the employer and the workmen and to that end to comment upon matters of their common interest or concern and endeavour to compromise any material difference of opinion in respect of such matters. The representatives of the workmen, whose number shall not be less than the number of representatives of the employer, are to be chosen from among the workman engaged in the establishment and in consultation with the registered trade union if any.

(ii) Joint Management Council:

In I.D. Act, 1947, Section 61-A to 61-Z-C clearly indicates the principle. In any industry, where 500 or more than 500 workers are engaged, its statutory provision to form Joint management council compulsorily.

Similarly in BIR Act of 1946, Section 53-A 453-B provides compulsion of forming a joint Management Council in that industrial organization or industry.
(b) Provisions of I.D. Act for DAIRY Industry and Fertilizer Industry:

In I.D. Act section 61-A to 61-Z-C provisions of constituting Joint Management Council applies to Dairy Industry & Fertilizer Industry. In 1987, compulsory provisions of constituting Joint Management Councils in Dairy Industries and Fertilizer Industries were implemented. Industries in which more than 500 workers are employed, this amendment of constituting J.M.C. was introduced.

In Gujarat, it applies to 195 Industrial units. All the Dairy Industries do not come under this provision. Out of these, in 87 units this has been implemented.

Functions of J.M.C.:

General duty of the council will be to make more efficient, organized and economic management of organization, for this the duty of council will be-

1. (a) To establish more harmonious and coordial relation of employer and employees,
(b) To increase understanding and confidence in each other.
(c) To get more better administration of welfare and security steps.
(d) To prepare workers to understand and distribute responsibilities of business.

2. It will be a duty of owner/occupier to accept advice of council regarding provisions mentioned in-

(1) This committees' duty will be to advise in this method.
(2) Occupier can hand over functions regarding responsibility of Council.
(3) Occupier has to provide essential and necessary information so that council can prefer its duty well.
(4) Committee will follow the procedure to perform its duty.
New Amendments and I.L.O. Recommendations:

In post war period, Philadelphia notification of I.L.O. was implemented in which –

(i) labour is not a commodity,

(ii) Wherever poverty exists, danger against prosperity does remain there.

(iii) To maintain progress, freedom of expression and organizing should be made necessary,

(iv) Battle towards necessities should start with unlimited energy and international efforts. Through citing these points, new policy and new role of Labour Management of I.L.O. came in existence.

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