

## Chapter 1 : WORKER's PARTICIPATION in INDIA |authorSTREAM

*Part II deals with the diversity of workers participation schemes in several developed countries--countries with advanced industry and democratic pluralist political systems. Part III discusses schemes in several centrally planned socialist societies; and their efforts through reforms to correct their weaknesses.*

The concept is applied by the managers who understand the importance to human intellect and seek a strong relationship with their employees. They understand that the employees are the facilitators who deal directly with the customers and satisfy their needs. To beat the competition in market and to stay ahead of the competition, this form of management has been adopted by many organizations. They welcome the innovative ideas, concepts and thoughts from the employees and involve them in decision making process. Studies have shown that only percent of organizations have actually implemented this concept in their daily operations. Though the theory of participative management is as old as the institution of employees and employers still it is not applied by a large proportion of organizations. The idea behind employee involvement at every stage of decision making is absolutely straight. Open and honest communication always produces good results both for organization as well as workers. On the other hand, there are several companies that straightway rule out the possibility of participative decision making process. According to them, employees misuse their freedom of expression and participation in decision making as it provides higher status to employees and empowers them. However, there are many companies who have embraced this particular style of management and are now getting positive results. Toyota is the best example. The company has been following suggestion schemes and employee involvement procedures for over a decade now. The management receives almost 2,, suggestions and ideas every year and around 95 percent of these are implemented by the company. Around five thousand improvements per year have made Toyota one of the fastest growing organizations globally. The need is to develop and implement a comprehensive company policy and everything works well. British Airways is another great example of participatory management. This is just unbelievable. It is right to some extent that employees can misuse industrial democracy but with a proper management of HR functions, this problem can be solved and the operations of organization can be taken to the next level. Satyam is another great example. A real-time web-based portal is present in Intranet that can be accessed by all its employees all across the globe to support the entire life cycle of an idea right from its generation till its implementation. The main idea behind adopting this management style was to create values and bring sense of belongingness in the employees through ideas, suggestions and complaints. The whole procedure is backed by a strong and comprehensive reward policy that encourages employees to perform better each time. Employee participation at each level of decision making process is not at all harmful if managed efficiently. The whole process can be well coordinated and controlled by the sincere and honest efforts of human resource managers.

**Chapter 2 : Conceptualizing Employee Participation in Organizations - Oxford Handbooks**

*Tsiganou explores the enormous diversity of worker participative schemes across national contexts. Using a historical comparative approach, schemes are examined in developed countries--the U.S.A., Japan, Sweden, Norway, England, Germany, and France; and centrally planned less developed socialist.*

It can be dated as far back as when Mahatma Gandhi suggested participation of workers in management on the ground that workers contributed labour and brains while shareholders contributed money to the enterprise and that both should, therefore, share in its property. He said that there should be a perfect relationship of friendship and cooperation among them. For the unions, he said that the aim should be to raise the moral and intellectual height of labour and, thus, by sheer merit, make labour master of the means of production instead of the slave that it is. It was at his instance that, in , the workers and the employers in Ahmedabad Textile Industry agreed to settle their disputes by joint discussions and consultations. Following this, some works committees were also set up in the Government Printing Presses and Railways. During the same period, such committees were also set up in the Tata Iron and Steel Company, Jamshedpur. Since then, there is no looking back in this direction. While supporting the need for works committees, the Royal Commission on Labour suggested that, to promoting industrial harmony and to avoid misunderstanding and settle disputes, not only works committees be set up, but strong trade unions be developed and labour officers be appointed. The Industrial Policy Resolution, advocated WPM by suggesting that labour should be in all matters concerning industrial production. The Group submitted its report in May with the following recommendations: WPM schemes should be introduced in selected undertakings on a voluntary basis. A sub-committee consisting of representatives of workers, employers and government should be set up for considering the WPM in India. The Conference appointed a 12 member sub-committee to look into further details of the scheme. First, to fulfill its functions as an advisory body. Second, to receive information on certain matters. Third, to fulfill administrative responsibilities. Besides, the Seminar on Labour Management Co-operation also took the size of the Councils, its office bearers, term of office, etc. Following the recommendations of the Administrative Reforms Commission, the Government of India accepted the inclusion of the representatives of workers on the Board of Directors of public sector undertakings. One director was from among employees who are workmen and another from among officers for tenure of 3 years. In the following year , the Government of India amended the constitution to incorporate workers participation in management as one of the Directive Principles of State Policy. The strength of Committee increased to 21 by nominating three additional members in January The Committee was also to study and recommend an outline of a comprehensive scheme of workers participation at different levels of management in industrial establishments and undertakings The Committee submitted its report to the Government in March The report showed that the majority of the members favoured adoption of a three-tier system of participation, viz. However, the employer of private sector did not favour board or corporate level participation in management. It also recommended to enact legislation on workers participation in management covering all undertakings, be public or private, employing or more workers. The salient features of the scheme were: The scheme will be non-legislative. It will apply to all central public sector enterprises, except those specifically exempted. It envisaged constitution of bipartite forums at shop and plant levels. A wide range of work related issues were brought within the ambit of the councils. However, a host of constraints such as multiplicity of unions, inter-union rivalry, lack of proper knowledge on the part of workers about the scheme, etc. Participation of workers in management bill Bill No. To remedy the situation, the Government has, therefore, introduced a Bill in the Parliament on 25th May to provide for: Formulation of scheme specifying criteria regarding nomination of representatives from workers. The principle of secret ballot for determining the representation of workers on the shop floor and establishment level councils. Rules for monitoring the scheme. Deletion of Section 3 of the Industrial Dispute Act, Rules for appointment of Inspector. Imprisonment up to 2 years or a fine up to Rs.

### Chapter 3 : Chapter 21 - Labour Resources and Human Resources Management

*Helen Tsiganou's study explores the enormous diversity of worker participation schemes across national contexts. Using a historical comparative approach, worker participation schemes are examined in two major settings: the developed capitalist countries of the United States, Japan, Sweden, Norway, England, Germany, and France; and the centrally planned less developed socialist countries of.*

Though the extent to which employees should participate in organizational decision making is still a matter of debate. However, there are a number of ways through which employees can participate in decision-making process of any organization. Participation at the Board Level: Representation of employees at the board level is known as industrial democracy. This can play an important role in protecting the interests of employees. The representative can put all the problems and issues of the employees in front of management and guide the board members to invest in employee benefit schemes. Inducing them to buy equity shares, advancing loans, giving financial assistance to enable them to buy equity shares are some of the ways to keep them involved in decision-making. Participation through Collective Bargaining: This refers to the participation of workers through collective agreements and by deciding and following certain rules and regulations. This is considered as an ideal way to ensure employee participation in managerial processes. It should be well controlled otherwise each party tries to take an advantage of the other. Participation through Suggestion Schemes: Encouraging your employees to come up with unique ideas can work wonders especially on matters such as cost cutting, waste management, safety measures, reward system, etc. Developing a full-fledged procedure can add value to the organizational functions and create a healthy environment and work culture. For instance, Satyam is known to have introduced an amazing country-wide suggestion scheme, the Idea Junction. It receives over 5, ideas per year from its employees and company accepts almost one-fifth of them. Participation through Complete Control: This is called the system of self management where workers union acts as management. Through elected boards, they acquire full control of the management. In this style, workers directly deal with all aspects of management or industrial issues through their representatives. Participation through Job Enrichment: Expanding the job content and adding additional motivators and rewards to the existing job profile is a fine way to keep workers involved in managerial decision-making. Job enrichment offers freedom to employees to exploit their wisdom and use their judgment while handling day-to-day business problems. Participation through Quality Circles: A quality circle is a group of five to ten people who are experts in a particular work area. They meet regularly to identify, analyze and solve the problems arising in their area of operation. Anyone, from the organization, who is an expert of that particular field, can become its member. It is an ideal way to identify the problem areas and work upon them to improve working conditions of the organization. Employees can participate in organizational decision making through various processes mentioned above. However, there are other ways such as financial participation, Total Quality Management, participation through empowered teams and joint committees and councils through which they can contribute their share in making the organizations a better place to work.

**Chapter 4 : Workers' Participative Schemes : Helen A. Tsiganou :**

*Are you sure you want to remove Workers' participative schemes from your list?*

Some of the forms of worker participation in management of the company are: Seat On Board Of Directors 3. Joint Management Councils 5. Profit Sharing and 6. The form or the way in which the workers can participate in the management varies a great deal. The form varies from country to country and even from undertaking to undertaking. Even in Communist countries, the methods of participation are not uniform. Besides, the form also varies from organisation to organisation depending upon the level of power or authority enjoyed by the managers at different levels in different types of organisations. In ascending participation an opportunity is given to the workers to participate in the decision making process at a higher level. Workers are made shareholders by allotting those shares in the company. They are employees as well as owners of the business concern. Thus, their participation in the management is automatically guaranteed. Seat On Board Of Directors: In advanced countries like Britain and U. It is generally felt that the workers do not understand the intricacies of management. Moreover, their representatives being in minority may not have much say in the decision making whereas that decision will be applicable to all the employees. By remaining out of the board, they can keep a better check on the management. It is apparent that as a member of the board, the worker director will familiarise himself with subjects with which he was not associated before. These committees have been regarded as the most effective social institution of industrial democracy. The need for their constitution has been emphasised as early as by the Royal Commission on Labour. It was again emphasised by the Industrial Truce Resolution on , which recommended their constitution in each industrial undertaking for the settlement of any dispute which may arise in future. This recommendation was given effect to in the Industrial Disputes Act of Section 3 of the Act provides for these bodies in every undertaking employing or more workmen. These committees are consultative bodies. Their functions include discussion of conditions of work like lighting, ventilation, temperature and sanitation etc. The works committee should not deal with matters connected with collective bargaining which are exclusively reserved for trade unions. Workers representatives sit with the management across the table to discuss matters which fall within its purview. The main object of such councils is to give an opportunity to workers to understand the working of the industry and satisfy their urge for self-expression. Should Joint Councils control policy? A policy is formulated against a background of numerous factors most, of them being out of the control of the management. In fact, the real interest of the workers participating in such councils is to see that its claims are given due weightage along with the claims of government, consumer and shareholders. The origin of joint councils can be traced back to the First World War in Britain. To deal with the strikes, British Government appointed Mr. Whitley as the Chairman of the Committee for suggesting ways and means for bringing industrial peace. Under this scheme works councils, district councils and national councils were set up. The Eighth Annual Conference of the Indian Institute of Personnel Management summed up the prerequisites for success in joint consultation as follows: Joint Management Councils must not indulge in collective bargaining. Certain issues like wages, bonus etc. Usually their area of operation includes welfare and safety measures, vocational training, working hours and breaks, holidays etc. Workers feel involved in the management especially when they are given a share in profits of the business. Suggestion scheme may also be introduced for creating interest in the work by announcing a suitable reward for original and useful suggestions. Employees can put their suggestions in the suggestion boxes which are installed in the various departments.

**Chapter 5 : A Basic Understanding of Participative Management**

*A study of worker participation schemes in 6 developed capitalist and 6 centrally planned less developed countries, using an historical comparative approach. Addressed are the conditions under which these schemes emerge and the reasons for similarities or differences among them.*

**AN OVERVIEW** Anne Trebilcock Labour or Industrial Relations The term labour relations, also known as industrial relations, refers to the system in which employers, workers and their representatives and, directly or indirectly, the government interact to set the ground rules for the governance of work relationships. It also describes a field of study dedicated to examining such relationships. The field is an outgrowth of the industrial revolution, whose excesses led to the emergence of trade unions to represent workers and to the development of collective labour relations. A labour or industrial relations system reflects the interaction between the main actors in it: There is considerable variation in the use of the terms, partly reflecting the evolving nature of the field over time and place. The wide variety of labour relations systems throughout the world has meant that comparative studies and identification of types are accompanied by caveats about the limitations of over-generalization and false analogies. Traditionally, four distinct types of workplace governance have been described: Both private and public interests are at stake in any labour relations system. The state is an actor in the system as well, although its role varies from active to passive in different countries. The nature of the relationships among organized labour, employers and the government with respect to health and safety are indicative of the overall status of industrial relations in a country or an industry and the obverse is equally the case. An underdeveloped labour relations system tends to be authoritarian, with rules dictated by an employer without direct or indirect employee involvement except at the point of accepting employment on the terms offered. A labour relations system incorporates both societal values e. Traditionally, labour relations systems have been categorized along national lines, but the validity of this is waning in the face of increasingly varied practices within countries and the rise of a more global economy driven by international competition. Some countries have been characterized as having cooperative labour relations models e. Different systems have also been distinguished on the basis of having centralized collective bargaining e. In countries having moved from planned to free-market economies, labour relations systems are in transition. There is also increasing analytical work being done on the typologies of individual employment relationships as indicators of types of labour relations systems. Even the more classic portrayals of labour relations systems are not by any means static characterizations, since any such system changes to meet new circumstances, whether economic or political. The globalization of the market economy, the weakening of the state as an effective force and the ebbing of trade union power in many industrialized countries pose serious challenges to traditional labour relations systems. Technological development has brought changes in the content and organization of work that also have a crucial impact on the extent to which collective labour relations can develop and the direction they take. This in turn places pressure on established labour relations systems. Newer forms of employee representation and participation are adding an additional dimension to the labour relations picture in a number of countries. A labour relations system sets the formal or informal ground rules for determining the nature of collective industrial relations as well as the framework for individual employment relationships between a worker and his or her employer. Complicating the scene at the management end are additional players such as temporary employment agencies, labour contractors and job contractors who may have responsibilities towards workers without having control over the physical environment in which the work is carried out or the opportunity to provide safety training. In addition, public sector and private sector employers are governed by separate legislation in most countries, with the rights and protections of employees in these two sectors often differing significantly. Moreover, the private sector is influenced by forces of international competition that do not directly touch public-sector labour relations. Finally, neoliberal ideology favouring the conclusion of individualized employment contracts to the detriment of collectively bargained arrangements poses another threat to traditional labour relations systems. Abandoning all collective representation would risk returning to a nineteenth century concept in which acceptance of hazardous work was largely regarded as a matter of

individual free choice. The increasingly globalized economy, the accelerated pace of technological change and the resultant call for greater flexibility on the part of industrial relations institutions, however, pose new challenges for their survival and prosperity. Depending upon their existing traditions and institutions, the parties involved in a labour relations system may react quite differently to the same pressures, just as management may choose a cost-based or a value-added strategy for confronting increased competition Locke, Kochan and Piore, Moreover, there is another constant: The employer is seen as having a general duty to provide a safe and healthful workplace and to train and equip workers to do their jobs safely. Failure to live up to these or other duties can lead to disputes, which depend on the labour relations system for their resolution. Dispute resolution mechanisms include rules governing not only work stoppages strikes, slowdowns or go-slows, work to rule, etc. Additionally, in many countries employers are required to participate in various institutions dealing with safety and health, perform safety and health monitoring, report on-the-job accidents and diseases and, indirectly, to compensate workers who are found to be suffering from an occupational injury or disease. The field was formed from a merger of scientific management theories, welfare work and industrial psychology around the time of the First World War and has undergone considerable evolution since. Today, it stresses work organization techniques, recruitment and selection, performance appraisal, training, upgrading of skills and career development, along with direct employee participation and communication. Common forms of employee involvement include suggestion schemes, attitude surveys, job enrichment schemes, teamworking and similar forms of empowerment schemes, quality of working-life programmes, quality circles and task forces. Another feature of human resources management may be linking pay, individually or collectively, to performance. As described by Reber, Wallin and Duhon , this approach has had considerable success in reducing lost time on account of accidents. It relies on specifying safe and unsafe behaviours, teaching employees how to recognize safe behaviour and motivating them to follow the safety rules with goal setting and feedback. The programme relies heavily on a training technique whereby employees are shown safe, correct methods via videotapes or live models. They then have a chance to practice new behaviours and are provided with frequent performance feedback. In addition, some companies offer tangible prizes and rewards for engaging in safe behaviour rather than simply for having fewer accidents. Employee consultation is an important feature of the programme as well. The implications of human resources management for industrial relations practices remain a source of some controversy. In some instances human resources management strategies are pursued alongside collective bargaining; in other cases the human resources management approach seeks to supplant or prevent the activities of independent organizations of workers in defence of their interests. Proponents of human resources management maintain that since the s, the personnel management side of human resources management has evolved from being a maintenance function, secondary to the industrial relations function, to being one of critical importance to the effectiveness of an organization Ferris, Rosen and Barnum The articles which follow describe the main parties in a labour relations system and the basic principles underpinning their interaction: A natural corollary to freedom of association is the right to engage in collective bargaining, a phenomenon which must be distinguished from consultative and non-union worker participation arrangements. Collective bargaining takes place as negotiations between representatives chosen by the workers and those acting on behalf of the employer; it leads to a mutually accepted, binding agreement that can cover a wide range of subjects. Worker representatives in consultative bodies may or may not have been selected by the workers and there is no obligation for the state or the employer to follow the wishes of those representatives or to abide by the results of the consultative process. In some countries, collective bargaining and consultative arrangements exist side by side and, to work properly, must be carefully intermeshed. For both, rights to information about health and safety and training are crucial. Finally, this chapter takes into account that in any labour relations system, disputes may arise, whether they are individual or collective. Safety and health issues can lead to labour relations strife, producing work stoppages. The chapter thus concludes with descriptions of how labour relations disputes are resolved, including by arbitration, mediation or resort to the regular or labour courts, preceded by a discussion of the role of the labour inspectorate in the context of labour relations. The Actors in the Labour Relations System Classically, three actors have been identified as parties to the labour relations system: To this picture must now be added

the forces that transcend these categories: Since the impact of these phenomena on labour relations remains unclear in many respects, however, discussion will focus on the more classic actors despite this caveat of the limitation of such an analysis in an increasingly global community. In addition, greater emphasis is needed on analysing the role of the individual employment relationship in labour relations systems and on the impact of the emerging alternative forms of work. The State The state always has at least an indirect effect on all labour relations. As the source of legislation, the state exerts an inevitable influence on the emergence and development of a labour relations system. Laws can hinder or foster, directly or indirectly, the establishment of organizations representing workers and employers. To take an example, it can provide lesser or greater protection for a worker who refuses to perform work he or she reasonably considers to be too hazardous, or for one who acts as a health and safety representative. Through the development of its labour administration, the state also has an impact on how a labour relations system may function. If effective enforcement of the law is afforded through a labour inspectorate, collective bargaining can pick up where the law leaves off. If, however, the state infrastructure for having rights vindicated or for assisting in the resolution of disputes that emerge between employers and workers is weak, they will be left more to their own devices to develop alternative institutions or arrangements. The extent to which the state has built up a well-functioning court or other dispute resolution system may also have an influence on the course of labour relations. The ease with which workers, employers and their respective organizations may enforce their legal rights can be as important as the rights themselves. In many countries, the state has a direct role to play in labour relations. The state may attempt to invalidate collective bargaining agreements that it perceives as interfering with its economic policy goals. Generally speaking, however, the role of the state in industrialized countries has tended to promote orderly industrial relations by providing the necessary legislative framework, including minimum levels of worker protection and offering parties information, advice and dispute settlement services. This could take the form of mere toleration of labour relations institutions and the actors in them; it could move beyond to actively encourage such institutions. In a few countries, the state is a more active participant in the industrial relations system, which includes national level tripartite negotiations. For decades in Belgium and more recently in Ireland, for instance, government representatives have been sitting down alongside those from employer and trade union circles to hammer out a national level agreement or pact on a wide range of labour and social issues. Tripartite machinery to fix minimum wages has long been a feature of labour relations in Argentina and Mexico, for example. In some countries, the very idea of the state becoming involved as a negotiator in private sector bargaining is unthinkable, as in Germany or the United States. In such systems, the role of the state is, aside from its legislative function, generally restricted to providing assistance to the parties in reaching an agreement, such as in offering voluntary mediation services. Whether active or passive, however, the state is a constant partner in any labour relations system. In addition, where the state is itself the employer, or an enterprise is publicly owned, it is of course directly involved in labour relations with the employees and their representatives. Finally, the impact of regional economic integration arrangements on state policy is also felt in the labour relations field. Within the European Union, practice in member countries has changed to reflect directives dealing with consultation of workers and their representatives, including those on health and safety matters in particular. Employers Employersâ€”that is, providers of workâ€”are usually differentiated in industrial relations systems depending upon whether they are in the private or the public sector. Historically, trade unionism and collective bargaining developed first in the private sector, but in recent years these phenomena have spread to many public sector settings as well. In Eastern and Central Europe, one of the major challenges of the post-Communist era has been the establishment of independent organizations of employers. In practice, most of this takes place in the ILO, which has responsibility for these questions in the United Nations system. The IOE also has Category I consultative status with the Economic and Social Council of the United Nations, where it intervenes whenever matters of interest or consequence to employers arise. The IOE is one of only two organizations that the employer community has set up to represent the interests of enterprise globally. The other is the International Chamber of Commerce, with its headquarters in Paris, which concerns itself principally with economic matters. While structurally quite different, the two organizations complement each other. They cooperate on the basis of an agreement which defines their areas of

responsibility as well as through good personal relations between their representatives and, to a degree, on a common membership base. Many subjects cut across their mandates, of course, but are dealt with pragmatically without friction. On certain issues, such as multinational enterprises, the two organizations even act in unison. ILO In the private sector, the situation has been summed up as follows: Employers have common interests to defend and precise causes to advance. In organizing themselves, they pursue several aims which in turn determine the character of their organizations. The representative function may occur in the political structure or in industrial relations institutions. Political representation is found in systems where consultation of interested economic groups is foreseen by law e.

## Chapter 6 : Workers'™ Participation in Management (WPM) in India

*Workers' participation in management is an essential ingredient of Industrial democracy. The concept of workers' participation in management is based on Human Relations approach to Management which brought about a new set of values to labour and management.*

Industrial Disputes Act, was the first step in this direction, which recommended for the setting up of works committees. The joint management councils were established in which increased the labour participation in management. Since July the two-tier participation called shop councils at shop level and Joint councils were introduced. Reasons for failure of Workers participation Movement in India: Employers resist the participation of workers in decision-making. This is because they feel that workers are not competent enough to take decisions. Very few representatives are competent enough to assume the two incompatible roles. However, there has been a lack of interest and initiative on the part of both the trade unions and employers. In India, labour laws regulate virtually all terms and conditions of employment at the workplace. Workers do not feel the urge to participate in management, having an innate feeling that they are born to serve and not to rule. The focus has always been on participation at the higher levels, lower levels have never been allowed to participate much in the decision-making in the organizations. Measures for making Participation effective: Employer should adopt a progressive outlook. They should consider the industry as a joint endeavor in which workers have an equal say. Workers should be provided and enlightened about the benefits of their participation in the management. Employers and workers should agree on the objectives of the industry. They should recognize and respect the rights of each other. Workers and their representatives should be provided education and training in the philosophy and process of participative management. Workers should be made aware of the benefits of participative management. There should be effective communication between workers and management and effective consultation of workers by the management in decisions that have an impact on them. Participation should be a continuous process. To begin with, participation should start at the operating level of management. A mutual co-operation and commitment to participation must be developed by both management and labour. Participation of workers can take place through suggestion scheme. Under this method workers are invited and encouraged to offer suggestions for improving the working of the enterprise. A suggestion box is installed and any worker can write his suggestions and drop them in the box. Periodically all the suggestions are scrutinized by the suggestion committee or suggestion screening committee. The committee is constituted by equal representation from the management and the workers. The committee screens various suggestions received from the workers. Good suggestions are accepted for implementation and suitable awards are given to the concerned workers. Under the Industrial Disputes Act, , every establishment employing or more workers is required to constitute a works committee. Such a committee consists of equal number of representatives from the employer and the employees. The main purpose of this committee is to provide measures for securing and preserving amity and good relations between the employer and the employees. Works committee deals with matters of day-to-day functioning at the shop floor level. Works committees are concerned with: Conditions of work such as ventilation, lighting and sanitation. Amenities such as drinking water,canteens, dining rooms, medical and health services. Educational and recreational activities. Safety measures, accident prevention mechanisms etc. Works committees function actively in some organizations like Tata Steel, HLL, etc but the progress of Works Committees in many organizations has not been very satisfactory due to the following reasons: Employees consider it below their dignity and status to sit alongside blue-collar workers. Lack of feedback on performance of Works Committee. Undue delay and problems in implementation due to advisory nature of recommendations. Under this system Joint Management Councils are constituted at the plant level. These councils were setup as early as These councils consist of equal number of representatives of the employers and employees, not exceeding 12 at the plant level. The plant should employ at least workers. The council discusses various matters relating to the working of the industry. This council is entrusted with the responsibility of administering welfare measures, supervision of safety and health schemes, scheduling of working hours, rewards for suggestions etc. Wages, bonus, personal

problems of the workers are outside the scope of Joint management councils. The council is to take up issues related to accident prevention, management of canteens, water, meals, revision of work rules, absenteeism, indiscipline etc. Trade unions fear that these councils will weaken their strength as workers come under the direct influence of these councils. Under this method, one or two representatives of workers are nominated or elected to the Board of Directors. The Government of India introduced this scheme in several public sector enterprises such as Hindustan Antibiotics, Hindustan Organic Chemicals Ltd etc. However the scheme of appointment of such a director from among the employees failed miserably and the scheme was subsequently dropped. By virtue of their being shareholders, they have the right to participate in the management of the company. Shares of the company can be acquired by workers making cash payment or by way of stock options scheme. The basic objective of stock options is not to pass on control in the hands of employees but providing better financial incentives for industrial productivity. But in developed countries, WPM through co-partnership is limited. The joint councils are constituted for the whole unit, in every Industrial Unit employing or more workers; there should be a Joint Council for the whole unit. Only such persons who are actually engaged in the unit shall be the members of Joint Council. A joint council shall meet at least once in a quarter. The chief executive of the unit shall be the chairperson of the joint council. The vice-chairman of the joint council will be nominated by the worker members of the council. The decisions of the Joint Council shall be based on the consensus and not on the basis of voting. In the above scheme was extended to the PSUs like commercial and service sector organizations employing or more persons. The organizations include hotels, hospitals, railway and road transport, post and telegraph offices, state electricity boards. In every Industrial establishment employing or more workmen, the employer shall constitute a shop council. Shop council represents each department or a shop in a unit. Each shop council consists of an equal number of representatives from both employer and employees. The total number of employees may not exceed

Functions of Shop Councils: Assist management in achieving monthly production targets. Improve production and efficiency, including elimination of wastage of man power. Study absenteeism in the shop or department and recommend steps to reduce it. Suggest health, safety and welfare measures to be adopted for smooth functioning of staff. Look after physical conditions of working such as lighting, ventilation, noise and dust. Ensure proper flow of adequate two way communication between management and workers.

## Chapter 7 : Methods and effects of worker participation: OSHwiki

*Workers' Participation in Management Before Independence: The workers' participation in management is not a novel and imported idea from outside. It can be dated as far back as when Mahatma Gandhi suggested participation of workers in management on the ground that workers contributed labour.*

Workers participation in management implies mental and emotional involvement of workers in the management of Enterprise. It is considered as a mechanism where workers have a say in the decision-making. It is a process by which authority and responsibility of managing industry are shared with workers.

**Participation at the Board level:** This would be the highest form of industrial democracy. He or she can serve as a guide and a control element. He or she can prevail upon top management not to take measures that would be unpopular with the employees. He or she can guide the Board members on matters of investment in employee benefit schemes like housing, and so forth. Tata, DCM, and a few others have adopted this practice.

**Problems associated with this method:** He or she tends to become alienated from the workers. As a result, he or she may be less effective with the other members of the Board in dealing with employee matters. Hence, his or her role as a director may not be satisfying for either the workers or the management. And the decisions of the Board are arrived at on the basis of the majority vote. In many cases, advances and financial assistance in the form of easy repayment options are extended to enable employees to buy equity shares. Examples of this method are available in the manufacturing as well as the service sector. Makes the workers committed to the job and to the organization. Effect on participation is limited because ownership and management are two different things.

**Participation through complete control:** Workers acquire complete control of the management through elected boards. The system of self-management in Yugoslavia is based on this concept. Self-management gives complete control to workers to manage directly all aspects of industries through their representatives. Ensures identification of the workers with their organization. Industrial disputes disappear when workers develop loyalty to the organization. Trade unions welcome this type of participation. Complete control by workers is not an answer to the problem of participation because the workers do not evince interest in management decisions.

**Participation through Staff and Works Councils:** Staff councils or works councils are bodies on which the representation is entirely of the employees. There may be one council for the entire organization or a hierarchy of councils. The employees of the respective sections elect the members of the councils. Such councils play a varied role.

**Participation through Joint Councils and Committees:** Joint councils are bodies comprising representatives of employers and employees. This method sees a very loose form of participation, as these councils are mostly consultative bodies. Work committees are a legal requirement in industrial establishments employing or more workers. Such committees discuss a wide range of topics connected to labour welfare. Examples of such committees are welfare committee, safety committee, etc. Such committees have not proven to be too effective in promoting industrial democracy, increasing productivity and reducing labour unrest.

**Participation through Collective Bargaining:** Through the process of CB, management and workers may reach collective agreement regarding rules for the formulation and termination of the contract of employment, as well as conditions of service in an establishment. Even though these agreements are not legally binding, they do have some force. But in practice, while bargaining, each party tries to take advantage of the other. This process of CB cannot be called WPM in its strongest sense as in reality; CB is based on the crude concept of exercising power for the benefit of one party. WPM, on the other hand, brings both the parties together and develops appropriate mutual understanding and brings about a mature responsible relationship.

**Participation through Job Enlargement and Job Enrichment:** Excessive job specialization that is seen as a by-product of mass production in industries, leads to boredom and associated problems in employees. Two methods of job designing "job enlargement and job enrichment" are seen as methods of addressing the problems. Job enlargement means expanding the job content "adding task elements horizontally. This is WPM in that it offers freedom and scope to the workers to use their judgment. The worker has no say in other vital issues of concern to him "issues such as job and income security, welfare schemes and other policy decisions.

**Participation through Suggestion Schemes:** Progressive

managements increasingly use the suggestion schemes. Suggestions can come from various levels. The ideas could range from changes in inspection procedures to design changes, process simplification, paper-work reduction and the like. Out of various suggestions, those accepted could provide marginal to substantial benefits to the company. The rewards given to the employees are in line with the benefits derived from the suggestions. Participation through Quality Circles: Concept originated in Japan in the early s and has now spread all over the world. A QC consists of seven to ten people from the same work area who meet regularly to define, analyze, and solve quality and related problems in their area. These circles require a lot of time and commitment on the part of members for regular meetings, analysis, brainstorming, etc. Most QCs have a definite life cycle “one to three years. Few circles survive beyond this limit either because they loose steam or they face simple problems. QCs can be an excellent bridge between participative and non-participative approaches. For QCs to succeed in the long run, the management needs to show its commitment by implementing some of the suggestions of the groups and providing feedback on the disposition of all suggestions. Training in problem-solving techniques is provided to the members. QCs are said to provide quick, concrete, and impressive results when correctly implemented. Employees become involved in decision-making, acquire communication and analytical skills and improve efficiency of the work place. Organization gets to enjoy higher savings-to-cost ratios. Chances of QC members to get promotions are enhanced. Empowerment occurs when authority and responsibility are passed on to the employees who then experience a sense of ownership and control over their jobs. Employees may feel more responsible, may take initiative in their work, may get more work done, and may enjoy the work more. For empowerment to occur, the following approach needs to be followed as compared to the traditional approach:

## Chapter 8 : Methods of Workers Participation In Management

*The participation process can be individual, involving a single worker, or done in a form of group participation. The participation can be either direct, which means workers or groups of workers get involved immediately, or indirect through representatives, who can be works councils, trade unions or any other kind of representative.*

Job performance and organizational performance Organizational profits By sharing decision-making with other employees, participants may eventually achieve organization objectives that influence them Brenda, Outcomes[ edit ] The outcomes are various in PDM. In the aspect of employers, PDM is evolved into decision quality and efficiency that influenced by multiple and differential mixed layers in terms of information access, level of participation, processes and dimensions in PDM. Research primarily focuses on the work satisfaction and performance of employees in PDM Cotton et al. Different measurement systems were applied to identify the two items and the relevant properties. Do not have strong relationship with performance. Because even with full participation, participants may not explore their skills and knowledge in identifying problems, which is likely to weaken the desires and motivation then influence performance. It is not only attributed to the skills and knowledge could be explored but also the innovative ways employees can provide and generate. Positive to performance but not likely to enhance satisfaction. If the solutions generated are not acknowledged by the employees who are absent at the previous stage, the satisfaction could lessen. Positive and strong relationship with both performance and satisfaction. Participants are given the possibility to affect on the achievement of a designed plan. Weaker relationship with performance, but positive relationship with satisfaction due to the future benefit. This section needs more links to other articles to help integrate it into the encyclopedia. Please help improve this article by adding links that are relevant to the context within the existing text. September Learn how and when to remove this template message One of the primary risks in any participative decision-making or power-sharing process is that the desire on the part of the management for more inclusive participation is not genuine. In the words of Arnstein This difference is brilliantly capsulized in a poster [available for viewing in her article] It allows the powerholders to claim that all sides were considered, but makes it possible for only some of those sides to benefit. These can be anything from social pressures to conform to group domination, where one person takes control of the group and urges everyone to follow their standpoints. With ideas coming from many people, time can be an issue. The meeting might end and good ideas go unheard. Possible negative outcomes of PDM are high costs, inefficiency, indecisiveness and incompetence Debruin, With participation comes dilemmas. According to him there are ten such dilemmas and the only way to deal with them is to use foresight. Participation as the answer and as the problem The involvement of the actors The level of ambition of the initiators, the context and the participants. Representation and legitimization “ participation works best in a situation where it is not needed, i. A PDM style includes any type of decision transfer from a superior to their subordinates Sager, PDM may take many forms and can run the gamut from informal suggestion systems to direct high involvement at the policy and administrative level. Most researchers agree that participative decision-making is not a unitary concept. High involvement PDM entails power and information sharing, as well as advanced human resource development practices. PDM can be broken down into four sub-types: Researchers have found that this leadership style is usually one of the most effective and leads to higher productivity, better contributions from group members, and increased group morale Leadership Toolbox. The democratic leadership style involves facilitating the conversation, encouraging people to share their ideas, and then synthesizing all the available information into the best possible decision. The democratic leader must also be able to communicate that decision back to the group to bring unity to the plan is chosen Cherry. The democratic leader delegates authority, encourages participation, and relies on personal power expert and referent power to manage subordinates. The subordinates with democratic leadership: Will have positive feeling with this style of leadership. Will perform well even when the leader is absent McHenry When the workplace is ready for democratic leaders, the style produces a work environment that employees can feel good about. Workers feel that their opinion counts, and because of that feeling they are more committed to achieving the goals and objectives of the organization

Money-Zine. Autocratic[ edit ] In an autocratic participative decision-making style, similar to the collective style, the leader takes control of and responsibility for the final decision. The difference is that in an autocratic style, members of the organizations are not included and the final outcome is the responsibility of the leader. This is the best style to use in an emergency when an immediate decision is needed. Everyone must agree and come to the same decision. This might take a while, but the decisions are among the best since it involves the ideas and skills of many other people. Teamwork is important in this style and brings members closer together while trust and communication increase. In such situations, the decision maker delegates full or partial responsibility of decision-making for a particular area of concern, to the expert on the team for best management outcomes. The participative leader retains the responsibility of final compilation of the draft responses from all. Such delegation is work specific and singular. It depends on the decision maker to compile the expert reports for the final response. Advantages of this type of decision-making process makes the group members feel engaged in the process, more motivated and creative. Expertise brings focused and result oriented solutions for BATNA Best alternative to a negotiated agreement as and when necessary. Best management outcomes are obtained by utilizing this strategy. An authoritative decision maker would have a higher rate of success than the Democratic decision maker. This strategy would be a disaster, when applied incorrectly or inappropriately is a major disadvantage. In , it was indicated that six dimensions of PDM had been recognized and analyzed Cotton et al. Those six dimensions are as follows: Participation in work decisions: Characterized as formal, long-term and direct participation. The content in this dimension focuses on work, e. Same to the previous one except it has lower level of influence in decision-making. It is recognized as formal and direct. Could happen in interpersonal relationships between employers and employees. Usually no fixed rules and specific contents are decided in advance. Formal and indirect participation. Although subordinates have the chance to participate in decision-making, usually the typical employees cannot. Measured as formal and indirect. In organizations, the degree of the influence is medium as representatives playing a role that mediate between typical employees and superior. Decision Issues Includes 4 aspects: Degree of Involvement Different level of involvement generates differential outcomes. Decision Process Contains five processes: Additionally, employee outcomes can also be evaluated according to six criteria Brenda, No distinct relationship with performance. Informal PDM encourage job satisfaction, likewise higher level of commitment and motivation Cotton et al. The greater influence enhances work satisfaction. Whereas the power range of indirect PDM could vary from partial to decisive. Foresight[ edit ] Some important constraints van der Helm, Foresight is a personal skill and so repetition should involve the same individuals not institutions , which is not compatible with the people rapidly moving within and between organizations. Foresight is often still a voluntary or peripheral job i. This may be done once, but not at a regular basis. Foresight is often made at particular moments in time, which may help to converge the general attitude of the network. According to Ziegler as cited in van der Helm, , long-term vision is developed at critical historical moments the year , the ecological crisis, the re-organization of a business, etc. Obviously, these are not very likely to be formalized. The results of a foresight are very often only indirectly visible in the follow-up in policy and management Tijink, as cited in van der Helm, Especially in a large exercises it is very unlikely that individuals will find justice done to their ideas unless a serious consensus is reached. Furthermore, because of the representation dilemma, it is unlikely that binding conclusions will be drawn from any similar activity. Hence, participants will not find any direct feedback and may lack the motivation to invest a second time. Critical thinking is important for all group members in order to come up with the best possible solution to the decision. Four questions that should be asked: Analyze the problem â€” What needs to be fixed? Think of objectives â€” What are we trying to accomplish with this decision? Discuss choices â€” What possible choices can be used? Evaluate â€” After coming up with choices, what are all of the positive and negative aspects of each? Role of information[ edit ] To make a good decision, there needs to be a good amount of information to base the outcome on. Information can include anything from charts and surveys to past sales reports and prior research. When making a decision primarily based on the information you are given from your organization, one can come to a conclusion in four different ways. Decisive â€” Little amount of information and one course of action. Decisions are made fast, direct, and firmly.

**Chapter 9 : Workers' participative schemes | Open Library**

*Workers' participation in Management in India was given importance only after Independence. Industrial Disputes Act, was the first step in this direction, which recommended for the setting up of works committees.*

Worker participation is obligatory in various processes in the company due to European legislation. In practice, it can be seen as a powerful instrument in safety and health management and is strongly recommended by OSH experts as well as by the European Commission to generally involve the workers and their representatives. With respect to the work place, it is seen as any process in the company that allows workers to exert influence over their work or their working conditions [2]. Different forms of worker participation overview The participation process can be individual, involving a single worker, or done in a form of group participation. The participation can be either direct, which means workers or groups of workers get involved immediately, or indirect through representatives, who can be works councils, trade unions or any other kind of representative [3]. They can be set in relation as is shown in the following matrix table 1: We can distinguish between passive forms of participation, e. Other forms try to activate workers and ask for opinions. Active and passive forms can also be seen in light of different levels of influence workers can exert on the decision making process in the company: In contrast, consultation describes a process in which organs consisting of worker representatives and management representatives are installed where both sides enter into a state of exchange of opinions, discussion or even negotiation before a decision is made. Co-decision or co-determination is the strongest form of collective worker participation, when worker representatives could veto management decisions and both parties would need to agree in a formal manner. Two main drivers with respect to worker participation that have influenced forms and practice to this day can be seen: On the one hand, the entire complex of worker participation has to be seen in the context of the history of collective bargaining and the struggle for the co-determination of the workers, which still influences the establishment of worker representations in the companies in the different EU Member States. Hence, national traditions influence forms of indirect participation in the companies. On the other hand, ergonomics and applied industrial and organisational psychology promoted participation of the workers by mainly using forms of direct participation in order to better assess working conditions in the company and working strain in single workers. Strain is experienced individually, so it is considered to be advantageous to include the workers in order to promote health effectively. In the following, the issue of worker participation is given an emphasis for the forms and processes that are used in the context of safety and health at work. Legal sources of worker participation ILO conventions and recommendations First international conventions and recommendations on worker participation were concluded under the authority of the International Labour Organisation ILO. Of central importance is ILO Convention of Furthermore, they shall be informed about OSH measures and receive appropriate training on safety and health at work. Recommendations on communication within the company are already given in ILO Recommendation [6] [2]. Its provisions are to be seen as minimum prescriptions that guarantee workers the same minimum level of rights and protection in all EU Member States and further countries that have committed themselves to transposing the *acquis communautaire* into national law as well as in companies that operate on a trans-national basis within the European Union [2]. Consultation of workers or their representatives in Art. Consultation of workers or their representatives with a specific responsibility for the safety and health of workers in Art. Workers and their representatives are also given the right to make proposals. The Framework Directive does not define the form of representation. This European law leaves it to the national legislator and to the traditions of collective bargaining to find adequate forms of representation. Either it is up to the national law to decide if the workers should be informed in addition to their representatives. Hence, the details of the participation in the context of Art. Consequently, the details of the participation in the context of Art11, No. These forms of participation are also applicable for the individual directives within the meaning of Art. Further obligations for the employer in addressing single workers due to the Framework Directive are: Workers have to be instructed on the results of the risk assessment Art. Still, the effective prevention of risk at work may require the participation of the workers concerned and may be

indicated in order to assess the risks correctly. Therefore, it is strongly recommended by OSH experts as well as by the European Commission to generally involve the workers concerned by the risk assessment and their representatives [9] [10]. Methods for the involvement of representatives should be in line with Art. Health circles Health circles are based on the concept of quality circles and originate from management concepts used in Japanese companies. In Europe and in the U. In order to create sustainable effects in the improvement of safety and health in the company, a permanent establishment is preferable. As health circles are topic-oriented and not hierarchic, it is essential that the company management actively promotes the work in health circles, defines their competences, and integrates them in the general process landscape. Otherwise, they can conflict with line management [12]. Participation in health circles is usually voluntarily and the chair is elected by the participants. In practice, health circles are often guided by experienced organisational psychologists, ergonomists or company physicians, at least in the start up phase. They usually serve as moderator and can guide the discussion in the health circle [13]. Health circles are used for the assessment of psychosocial risks and the strain of workers due to such risks, but are principally not limited to a certain group of risks. The method can generate good results and methods for improvement with regard to physical risks and other hazards in the working environment [14] [15] Further forms of participation of groups There are other forms of group participation that mainly derive from different forms of organising work. Project groups or work groups are often established to introduce new technology, work practices or organisational changes into a company. They can also be useful for training purposes. Project groups are established ad hoc and disassembled once the project is finalised. Especially in Scandinavian countries, they usually consist of management representatives, worker representatives, workers and external experts or consultants. Teamwork is mainly a model where management supervision is replaced by self-control and joint responsibility by groups of workers. The workers often elect a team-leader. Sometimes the team leader is appointed by management. Benefits for OSH are mostly indirect, for example, by fostering communication, motivation and self-determination, but these effects can also be contrasted when strict key data for production teams lead to self-exploitation. Semi-autonomous group work is also a model of breaking traditional management structures and of attributing more responsibility to groups of workers. The idea is that groups of workers are given extensive rights of self-organisation. The difference to teamwork is the higher level of autonomy attributed to the groups. Benefits for safety and health at work are also indirect. Participation of single workers Direct worker consultation The most basic form of individual worker participation is the direct consultation of a single worker by a management representative. This can be done individually at the workplace, during workplace inspections, or also during team sessions or in health circles see 4. Fields of application in the company can, during the risk assessment , which is recommended by OSH experts [17] , especially with regard to assessment of psycho-social risks and the European Commission [9]. Questionnaires and interviews on working conditions Questionnaires on working conditions are used widely in different contexts with respect to safety and health management. A questionnaire is an instrument to provide feedback from a defined number of respondents. Quantitative questionnaires allow the management to generate statistics or to get a representative overview on working conditions in a company or in parts of a company. Qualitative estimations of single workers or groups of workers are often collected via face-to-face interviews or group interviews. Questionnaires and interviews are also the backbone of the assessment of psycho-social risk factors or for the measurement psycho-social strain in the workers [19] and they can be used for developing and improving safety culture in the company [20]. Conducting interviews requires a high level of expertise and should be done by external consultants or experts with methodological experience in psychology or social sciences. Observations can contribute to revealing weak points in work organisation or to correcting inadequate working habits. Well-known are also programmes involving mentors for young workers in a company [22] [23]. Peers can also be used as support or contact persons in the prevention of psychological traumata after work-related accidents in addition to psychological and medical services [24]. Internal feedback systems The basic form of a feedback system is the so-called suggestion scheme. This is frequently part of the innovation cycle in the company used for generating new ideas, but can certainly also be used to establish good practices in safety and health at work [12]. Suggestion schemes can work on an individual basis or can be part of quality circles. They

are frequently backed by an incentive scheme. Many potentially dangerous situations occur below the individual or collective level of awareness. In order to improve occupational safety and health, it is considered to be essential to become aware of unsafe situations and practices and to start the learning cycle [21]. Some intended aims and effects can be summarised [17], and for a detailed analyses of management motives also [16]. Firstly, it is considered to be a fundamental right of workers and their representatives to be thoroughly informed about hazards at work, about the risk of being injured or getting sick, and on how to prevent ill-health and accidents via adequate protection and prevention measures. It is also seen as the common interest of the employer and workers to cooperate in reducing accidents and preventing work-related ill-health [25], also for the following notions. It is seen as the key for fostering the acceptance for safety and health at work amongst the workers. Personal protective equipment can be named as an example [26]. When workers are consulted and integrated into the process of choosing personal protective equipment, they are much more likely to actually wear the PPE. Programmes on strengthening the safety culture in the company use instruments like peer observations, interviews, or near-miss-reporting systems to promote safe behaviour in the workers [20]. Thirdly, direct involvement of workers might be required in order to carry out a risk assessment that takes account of hazards and risks at work in the best possible manner. OSH experts generally recommend direct participation, since workers can be seen as experts for their workplace and the working conditions. Furthermore, it is crucial in the case of hazards or risks that the workplace interact with the individual attributes of a worker [9], to cover the workforce in its diversity [13], and to assess psycho-social risk factors or psycho-social strain in the worker [17] [27]. Finally, fostering the communication between the management and the workers respectively, the participation of workers in management processes are often seen as an effective strategy for motivating workers and to strengthen the identification with the company. It is used for example in models of transformational leadership. Both motivation and a sound working environment are said to contribute positively to the productivity and to the overall performance of a company [28] [29]; for more information see The importance of good leadership in occupational safety and health. The positive effects of worker participation on the company performance are backed by findings made by the EPOC Survey conducted by Eurofound. Another result was that direct, individual forms of worker participation have stronger positive effects on employment levels rather than other forms of participation [30] [31]. A report issued by the Austrian Ministry for Labour, Social Affairs and Consumer Protection BMASK based on data gathered in Austrian companies shows that work place risk assessments were the best when they were carried out by teams under participation of safety representatives and workers [32]. Furthermore it reveals that companies that consult their workers during risk assessments are better in implementing improvement measures [17]. In detail, intended and generated effects depend to the application of single measures in the safety and health management in the company. Hence, a more detailed analysis of benefits and effects of worker participation will be presented in the OSH Wiki article: Encyclopaedia of occupational health and safety. ILO, , Chapter Ensuring everyone is covered. Encyclopaedia of occupational health and safety, ILO, , Chapter