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DEPARTMENT OF SOCIAL WORK

E-NOTES

SUBJECT NAME: INDUSTRIAL RELATION

Subject Code: GSW42A

Class: M.S.W -II

SYLLABUS

UNIT- III

1.0 Workers Participation in Management:

1.1 Concept – Aims and objectives – Scope

1.2 Levels of Participation

1.3 Conditions essential for working of the Scheme of workers' participation in Management.

Meaning: -

Workers' participation in management is a process by which subordinate employees, either individually or collectively, become involved in one or more aspects of organizational decision making within the enterprises in which they work.

Meaning of WPM

A system of communication and consultation, either formal or informal, by which employees of an organization are kept informed about the affairs of the undertaking and through which they express their opinion and contribute to the management decisions.



Objectives of WPM

- To establish Industrial Democracy.
- To build the most dynamic Human Resources.
- To satisfy the workers' social and esteem needs.
- To strengthen labour-management co-operation and thus maintain Industrial peace and harmony.

Workers Participation in Management

Workers Participation in Management: Concept – Aims and objectives – Scope – Levels of Participation – Conditions essential for working of the Scheme of workers' participation in Management

Concept of Workers Participation in Management

Worker's participation in management refers to the participation of the workers in the decision-making process of the organization. This has an incredibly positive impact on the mental and psychological health of the workers, and they are associated with the organization.

Worker participation in a most general sense can be defined as "a variety of processes and structures which enable, and at times encourage, employees to directly and indirectly contribute to and influence decision – making in the firm and in the wider society".

A process by which subordinate employees, either individually or collectively, become involved in one or more aspects of organizational decision making within the enterprises in which they work. Workers' Participation in Management (WPM) refers to participation of non-managerial employees in the decision- making process of the organization. Workers' participation in management implies mental and emotional involvement of workers in the management of Enterprise

Aims and objectives of Workers Participation in Management

- To raise level of motivation of workers by closer involvement.
- To provide opportunity for expression and to provide a sense of importance to workers.
- To develop ties of understanding leading to better effort and harmony.
- To act on a device to counter-balance powers of managers.
- To act on a panacea for solving industrial relation problems.
- To increase the motivation level of workers.
- To develop ties of understanding leading to better effort and harmony.
- To act as a tool to check-balance the powers of managers.
- To act as a tool for solving industrial relations problems.
- To encourage harmonious relations between the company's management and workmen.
- To promote mutual trust and understanding among the company's management and worker.
- To increase workers' job satisfaction and promote a sense of importance among workers.
- To provide an opportunity for the workers to freely express their views towards the company's goals, rules, policies, and laws.
- To promote teamwork which helps in increasing production.
- To provide welfare and social justice facilities to workers.
- To maintain the work-life balance.
- To decrease labor turnover and absenteeism because it provides an opportunity for workers to express their concerns.
- It also gives freedom of expression to the employees. Moreover, it also increases job satisfaction among the employees

Scope of Workers Participation in Management

✓ *Social Decision-Making*

Social decision-making considers with social or job security purpose of the employees. It involves decision-making regarding hours of work, rules and regulations at the workplace, working conditions, welfare measures, workers' health, safety or sanitation, and employee welfare.

✓ *Economic/Financial Decision-Making*

WPM also encourages employees to participate in various financial or economic aspects of organizational operations such as the methods of manufacturing and production, cost cutting, inventory, capital structuring, technology and automation, shut-down, mergers and acquisition, lay-offs, etc.

Organizations inviting ideas or suggestions from employees on various issues like how to cut down the operating cost can work wonders.

✓ *Personnel Decision-Making*

The WPM plays a key role in personnel decision-making. Workers involved in various management processes including recruitment and selection, training and development, work distribution, placement, promotions, demotions and transfers, suspension, grievance handling, voluntary retirement schemes, remuneration, and so on.

Participation of workers in these kinds of functions or processes protects their interests and motivates them to work hard for the betterment of themselves as well as the organization.

Levels of Participation in Workers Participation in Management

Worker's participation may exist in all levels of management; however, it may vary from management to management. Participation of workers in management is more likely at lower level and less involvement at top level of management. Broadly speaking there are following five levels of participation of workers in management.

1. Information participation of workers:

It ensures that employees are able to receive information and express their views pertaining to the matters of general economic importance. At the initial stage, participation generally takes the stage of informative and associative participation where members have the right to receive information and give opinion on matters of general economic importance.

2. Consultative participation of workers:

Under this kind of workers participation in management, May act as a consultant in the matters of workers safety, health and their welfare at workplace. Even so,

ultimate decision lie in the hands of management, only employee's views are considered as advise. The next level is the consultative participation where members share their views on matters affecting their welfare with the management. It involves a higher degree of sharing of views. But the management has the discretion to accept or not to accept the views and suggestions of the employees.

3. Associative participation of workers:

This kind of workers participation in management is next level to consultative participation. under associative participation of workers in management, morally bound to accept and implement the opinion of employees.

4. Administrative participation of workers:

Under this kind of participation of workers in management, workers the part in discharge of managerial functions. Here employees take part in decisions, which were already taken by the management, thereupon employees have to select the best from those decisions for the purpose of implementation. At the next higher level it is administrative participation, which provides a greater degree of share in the authority and responsibility in the management functions.

5. Decisive participation of workers:

Decisive participation is the highest level of workers participation in management, where employees and management together taking decisions on the matters related to workers welfare and production related issues. It is the highest level of participation where workers are given opportunity to take part in decision making power activities. As the name suggests, the decision-making power at this level is complete and the delegation of authority is maximum.

It is important to note that participation in management is generally taken to mean only a general consultation on matters concerning the safety, welfare etc., of the workers and nothing more. The ultimate responsibility is vested in the management.

All other matters like wages, bonus etc., are subjects of collective bargaining and are excluded from the preview of the workers participation schemes the world Individual grievances are also excluded from its scope.

Conditions essential for working of the Scheme of workers' participation in Management

The term "participation" has different meanings for different purposes in different situations. McGregor is of the view that participation is one of the most misunderstood ideas that has emerged from the field of human relations. Keith Davis has defined the term "participation" as 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. This definition envisages three important elements in participation. Firstly, it means mental and emotional involvement rather than mere physical activity; secondly, participation must motivate a person to contribute to a specific situation to invest his own resources, such as initiative, knowledge, creativity and ingenuity in the objectives of the organisation; and thirdly, it encourages people to share responsibility for a decision or activity. Sharing of responsibility commits people to ensure the success of the decision or activity.

The pre-requisites for the success of any scheme of participative management are the following:

- Firstly, there should be a strong, democratic and representative unionism for the success of participative management.
- Secondly, there should be mutually-agreed and clearly-formulated objectives for participation to succeed.
- Thirdly, there should be a feeling of participation at all levels.
- Fourthly, there should be effective consultation of the workers by the management.
- Fifthly, both the management and the workers must have full faith in the soundness of the philosophy underlying the concept of labour participation.
- Sixthly, till the participative structure is fully accepted by the parties, legislative support is necessary to ensure that rights of each other are recognised and protected.
- Seventhly, education and training make a significant contribution to the purposeful working of participative management.
- Lastly, forums of participation, areas of participation and guidelines for implementation of decisions should be specific and there should be prompt follow-up action and feedback.

Additionally, there are eleven forms of workers participation in corporates: -

1. Participation at the Board Level
2. Participation through Ownership
3. Participation through Complete Control
4. Participation through Works Councils
5. Participation through Joint Committee
6. Participation through Collective Bargaining
7. Participation through Job Enlargement
8. Participation through Suggestions Schemes
9. Participation through Quality Circles
10. Empowering Teams
11. Total Quality Management (TQM).