

An Evaluation of Workers' Participation in Management of Private Sector Enterprises (A Case Study of Moser Baer India Ltd.)

Smita Singh^{a*}, D.R. Yadav^b

^aResearch Scholar, Mewar University Chittorgarh Rajasthan (India)

^b Associate Professor, Faculty of Commerce and Business Administration, Meerut College, Meerut, (U.P), India.
Email: dryadav3510@gmail.com

Abstract

In a democracy, participation of the people in the political process is an essential ingredient of the system. Similarly, Workers Participation in Management is an extension of this political process to work place relations. Keeping in view the democratic way of working, Worker Participation in Management has become a mandatory situation in developed and developing countries. The contents and structure of Workers Participation in Management is more important and is being debated in all industries to make it a 'best fit' as per their own working conditions. In other words, it can be said that it is a total involvement of people in the organisation to bring a democratic culture at the work place. Human resource development (HRD) is a subject of great relevance in a developing and most populous country like India. Of all the resources, the "Human Resource" is the most crucial and difficult to tackle and without these resources, the development of physical/financial/technical resources of the country is not possible. Thus, there is a need to mobilize the human resource- with the purpose to enable them to participate effectively in the task of nation- building. Mobilization would include the need to develop the human resource, skills, attitudes, aptitudes so that they can competently achieve the predetermined goals. HRD, thus constitutes a most complex and challenging problem. In an industrial society a state of harmony and goodwill between the management and its workers is usually an objective. This is not always possible where two groups exist, each with different ideologies, goals and interests may be in conflict. Conflict is, therefore, inevitable and could also prove healthy in the sense that it brings inherent problems to the fore. The cause of conflict, the mechanisms to resolve conflict, and the outcome of conflict, are all governed by each situation. In this research paper we studied the workers participation in management of Moser Baer India Limited.

Keywords: Teamwork, Efficiency, Enthusiasm, Safety of human resource, Industrial democracy, Socio-cultural environment.

*Corresponding Author

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1. INTRODUCTION

The scheme for workers' Participation in Management was implemented in the first instance in manufacturing and mining industries whether in the public, private or co-operative sectors. These included factories where there was no manufacturing and only the unit was departmentalized. The scheme applied to those units or industries which had 500 or more workers on their rolls. The Scheme provided for Shop Councils at the shop/Departmental levels and Joint Councils at the enterprise level. To begin with, the scheme will have to be flexible so as to allow variations to suit local conditions and hence has to be implemented through executive action. Various forms of workers' Participation are already in practice in certain units of different industries, particularly in the public sector. Government is, therefore, of the view that the matter should be left to the initiative of the management to evolve a suitable pattern of participation depending upon the nature of each unit. Legislation will be considered after adequate experience is gained.

It is now agreed that genuine Workers' Participation in day to day working of the organization can lead to harmony and higher productivity besides being able to bring out hidden talents in employees and giving the employees an acceptable status. A combination of powerful social, cultural, political, economic and industrial pressures has created world-wide demand for greater participation and democracy. Workers' Participation in Management is only one of the outcomes of this global trend. The concept of Workers' Participation in Management is viewed by people differently. "There are people who feel that workers' participation is the tool for solving most industrial relations problems, and that it will even become the underline concept of the future society. So people use the term as the synonym for what they call Industrial Democracy."

Some of the critics of this scheme say that the participation of workers in management policy may not bring the desired results. The present system of management is more appropriate. The workers are not competent to take decisions on a day to day basis. But some other thoughts are also prevailing that 'Participation' in management should be for specific purposes like negotiations on critical issues of wages, settlement of industrial disputes and profit sharing, etc.

2. OBJECTIVES

- To obtain, study and analysis the information regarding the Workers Participation in Management, its framework and present state of Human Resource Development in Moser Baer India Limited.
- To study the various committees form for the participation in management in Moser Baer India Limited.
- To evaluate the scheme for Workers Participation in Management in Moser Baer India Limited.

3. METHODOLOGY

Both primary and secondary data is used for the purpose of analysis. For primary data the researcher has made extensive use of survey method in this study. She visited MBIL on several occasions. And secondary data is taken from Annual Report of MBIL, Journals Research Papers and various books.

4. IMPORTANCE OF THE SCHEME, PARTICIPATIVE MANAGEMENT IN MOSER BAER INDIA LIMITED

Labours are the integral part of the organisation, hence they should be encouraged to participate in decision-making. The participation might occur through various forums and methods. It could be formal or informal. It could be at shop floor level or at board level. The involvement of workers in management decision-making is beneficial in the following manner:

1. Effective communications at all level are essential to sound decision making;
2. Workers may accept decisions better if they participate in management;
3. Workers may work more intelligently if, through participation in decision making, they are better-informed about the reasons for and the intention of the decision;
4. Workers may work harder if they share in decisions that affect them;
5. Workers' participation may foster a more co-operative attitude amongst workers and management, thus, raising efficiency by improving team work and reducing the loss of efficiency arising from Industrial Dispute.
6. Workers' participation may act as a spur to managerial efficiency.

5. COMMITTEES FORM OF PARTICIPATION AT MOSER BAER INDIA LIMITED

The Moser Baer India Limited has various Participative Committees for practice of Workers' participation in Management which are functioning in the unit. The various committees are as under:-

5.1 Canteen Service Improvement Committee

The objective of this committee is to check the quality of the food materials that is given to the employees at subsidized rates. In all there are 6 members in this committee, three are management nominees and three are nominated by the recognized union. The committee invites the tenders for the supply of items, approves the quality and settles the price. They also make budget. And the prices of the various commodities are fixed by this Committee. The Committee maintains the Expenses Register and prepares a Profit and Loss Account every month. Responsibilities are divided amongst the members for procuring the materials etc. Total inventory of food stock as well as furniture is being maintained by this Committee.

5.2 Labour Welfare Committee

The Welfare Committee is composed of eight members. Two of them are nominated by the management and six by the recognised trade union. Chief Labour Welfare Officer is the convenor of the committee. The scope of the Committee is to provide hygienic conditions in the Labour colony. Books are distributed for children. They manage a school/dispensary and a co-operative store for the welfare of the Labour. The members are responsible for each of the activities.

5.3 Cultural and Sports Committee

The function of the sports wing is to promote a health environment in the organisation. Sports wing provides facilities to the employees interested in sports. There are 14 members in the cultural and sports committee having equal number of representatives from both the management and the recognised union. They organise sport on January 26, August 15 and October 2 every year as well as organising Ram Lila. The workers participate with full enthusiasm. Picnics or outings are also organised. The funds for all these activities are allocated by the Management.

5.4 Death Relief Assurance Fund Committee

The object of the Committee is to give relief to the dependent of the deceased employees. In case of a death, an amount equivalent to one day's salary is deducted from every employees' pay and an equivalent amount is contributed by the Management. A fixed deposit is made by the organisation on the name of the widow of the deceased. The committee comprises of four members two from management and two from the workers' side. Accounts Officer is the convenor of the Committee.

5.5 P.F. Trust Committee

The object of this committee, which comprises of six trustees, three each from management's and workers' side, is to give loan facilities to its employees.

5.6 Safety Committee

The Committee Comprises of 15 members, seven from management's side and eight from workers' side. The objective of this committee is not only to prevent accidents but also to provide health and security to the employees. The employees working in hazardous and accident prone areas are provided with safety equipments and given the necessary Safety training for developing safety skills and safety education which increases the employees' knowledge about preventing accidents. It also imparts training regarding the basic first aid steps to be taken in case of an occurrence of an accident. Every year "Safety Day" is celebrated by the committee. On this day various competitions like Essay Writing, Poster Making, etc. are held. Prizes are awarded to the winners of these competitions. Safety booklets, badges, calendars are provided to workers on this day.

5.7 House Keeping Committee

This Committee was constituted to develop the feeling of keeping the machines and the Shop clean amongst the workers. It consists of 6 members in all. Every year 15 days before Diwali, every department, Shops and machines are cleaned by the employees and white washing is done. On Annual Day, 'Best House Keeping Department' is awarded with a cash prize. There can be more than one department eligible for this prize. The decision of the Committee is final and binding to all the department.

5.8 E.S.I. Committee

Nearly 75% of the total employees are the members of this committee. The employees under the E.S.I. Scheme are known as insured person and are supposed to take their treatment from this scheme in case of illness. In case of accidents, if the insured person is disabled and is unable to perform his routine job, the committee looks after the welfare of such a person and gives compensation to him. The E.S.I. Committee comprises of four members, two from each side i.e. management and the workers.

6. EVALUATION OF THE SCHEME IN MOSER BAER INDIA LIMITED

Workers Participation in Management cannot be successful until there are strong, well-knit trade unions, willing to take a responsive view. Then, workers are mostly illiterate and have only vague notions about the participation in management. The management of modern industrial establishments requires expert knowledge and skill in technical, administrative and financial

fields, which the workers do not possess at present. If the outsiders represent the workers in the joint-management councils, they will be worse, because an outsider may understand trade union and industrial relations, but he cannot understand the management and know the problem of industry which only a worker who works inside the factory or establishment, can do.

The employers do not repose full faith in the workers and may not let them know the 'secrets of trade' without the knowledge of which the workers can not take effective part in management. Many employers are unwilling to surrender their powers and privileges and where they have adopted the schemes, it is more to hoodwink the workers than any genuine interest in them. Many Labour unions are also afraid that by helping the management, the workers may undermine the class-war ideology, of which many unions are wedded. The question of representation of workers on the Board of Directors has also been sometimes discussed. But such representation will not be helpful. The Board of Directors is generally occupied with questions in which the worker's representatives may not feel much interested and may only be passive observers in the meetings. It has also been alleged that in some units where the experiment has been tried, the employers have dominated the working of the Councils and on account of this experiment; the workers have been denied access to the existing industrial relations machinery of the Government for the redress of their grievances.

On analyzing the primary data collected, compiled and presented in the following tables, it has been proved that the present type of workers' participation in management does not serve the purpose of achieving its purpose of industrial democracy nor does it help in ensuring the spontaneous involvement and interest of the workers of Moser Bear India Limited. This has enabled some of the trade union leaders to enjoy a portion of the fruit of the entrepreneur as well as the working class. Most of the workers are not interested in the present type of workers participation, while sections of workers are not even aware of it.

Table - 1

Table showing the Attitude of Respondents (Workers) towards the Present System of Workers' Participation in Management

| Attitude of Workers | W₁ | W₂ | W₃ | W₄ | N |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------|
| No. of Workers | 9 | 30 | 34 | 127 | 200 |
| No. of Workers in % | 4.5 | 15 | 17 | 63.5 | 100 |

Variables

W₁ = The present system of workers' participation in management is effective to maintain cordial labor management.

W₂ = Indifferent.

W₃ = Not aware of the concept.

W₄ = Feel that the present form of workers' participation is not in their interest and it will not help in maintaining cordial Industrial Relations.

On analysis of the data collected (as represented in the table above), only 4.5% of the workers (i.e. 9) are of the opinion that the present system of workers' participation in management is effective for maintaining cordial Industrial Relations, while 63.5% (127 workers) feel that the present form of workers participation is not in their interest and it will not help in maintaining cordial Industrial Relations. Similarly, 17% (34 in no.) were not at all aware of the concept and 30 workers (i.e. 15%) had an indifferent attitude towards the whole thing.

Table - 2 as given under shows the age group wise classification of the attitude of workers to participative management.

Table - 2
Table showing the Age Wise Classification of the Attitude of Workers to Workers' Participation in Management

| Age Group | X ₁ | X ₂ | X ₃ | X ₄ | X ₅ | X ₆ |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Upto 30 | 27 | 30 | 4 | 31 | 26 | 33 |
| 30-40 | 47 | 48 | 3 | 46 | 29 | 49 |
| 40-50 | 68 | 89 | 17 | 98 | 52 | 100 |
| 50 & above | 10 | 11 | 7 | 17 | 13 | 17 |
| Total | 152 | 178 | 29 | 192 | 120 | 199 |
| (Out of 200) | | | | | | |
| Percent (%) | 76 | 89 | 14.5 | 96 | 60 | 99.50 |

Variables

X₁ = Participation is not acceptable because the deserving workers are not involved at any level.

X₂ = Happy to be consulted.

X₃ = Indifferent at being consulted.

X₄ = Pessimistic about participation. They are sure that they will not get any opportunity to participate in the present situation.

X₅ = Do not wish to be on Director Board.

X₆ = Aspire for better working conditions.

Since the deserving workers were not involved in any way at level, the present system was not acceptable to 76% workers, while on the other hand 89% felt proud to be consulted by the management. The percentage of workers being indifferent to being consulted was a low 14.50%. However, almost all the workers i.e. 96% were pessimistic about participation for they felt sure that they will not get any opportunity to participate in the decision making process of management in the present situation. Though almost all the workers (99.50%) aspired for better

working conditions, more than half of them (i.e. 60%) did not wish to be on the Board of Directors.

From Table - 3, the Researcher observes that in the age group of 30-40 years, 45 workers out of the total 49 consulted have got suggestions to offer, which means that about 92% of them; out of these 15 suggestions are already available and expected suggestions are 30 in number. It is, however, observed that the age group of 40-50 is the most active as far as the total number of suggestions already available goes which is 42. On percentage basis this roughly works out to be 42%. In the age group which is Upto 30, 26 out of a total of 33 (almost 79%) have something new to offer as far as the suggestions go. However, workers in the age group of 50 and above have the least to contribute. This can be attributed to the fact that with age and education workers have become more disenchanted and it has been observed that the highest number of educated workers fall in the above 50 category.

Table - 3
Table showing the Willingness of Workers for making Suggestions

| Age Group | Y ₁ | Y ₂ | Total (Y ₁ +Y ₂) | Y ₃ | Total |
|--------------|----------------|----------------|---|----------------|------------|
| Upto 30 | 9 | 17 | 26 | 7 | 33 |
| 30-40 | 15 | 30 | 45 | 4 | 49 |
| 40-50 | 42 | 29 | 71 | 29 | 100 |
| 50 & above | 3 | 3 | 6 | 12 | 18 |
| Total | 69 | 79 | 148 | 52 | 200 |

Variables

Y₁ = Suggestions already at hand.

Y₂ = Suggestions expected.

Y₃ = No Suggestions.

Table - 4 depicts the preferences of workers for union leaders to get appointment in the Board of Directors. It can be clearly seen that the workers who welcome this idea also have biased preference because 38 workers (19%) were partial for a particular union leader, in case one was appointed to the Managing Board. Also, not even one person was of the opinion that any union leader should be appointed on the Board is welcome. Although 14.50 % (29 workers) have a very indifferent attitude towards the concept of appointing union leader in the Board of Directors, majority of them, almost 66.50% feel that their is no need to appoint any union leader to the Board.

Table - 4
Table showing Preference for Union Leaders to be appointed in the Management Board

| Age Group | Z ₁ | Z ₂ | Z ₃ | Z ₄ |
|--------------|----------------|----------------|----------------|----------------|
| Upto 30 | - | 4 | 7 | 22 |
| 30-40 | - | 7 | 10 | 33 |
| 40-50 | - | 27 | 9 | 63 |
| 50 & above | - | - | 3 | 15 |
| Total | Nil | 38 | 29 | 133 |
| (Out of 200) | | | | |
| Percent (%) | Nil | 19 | 14.50 | 66.50 |

Variables

Z₁ = Any Union Leader is welcome.

Z₂ = His particular Union Leader should be appointed, if one is appointed.

Z₃ = Indifferent as to who should be appointed.

Z₄ = No Union Leader need be appointed to the Managing Board.

As a part of the survey, several managers were also interviewed. Not even one of them showed any enthusiasm towards accommodating a union leader on the Managing Board. The reason for this disinterest was firstly there would be unnecessary interference by the union leader in the day to day working of the enterprise and secondly, they would get a share in the authority, power and prestige that have been acquired by the managers by continuous hard work, risk and initiative.

7. MAKING PARTICIPATION MORE EFFECTIVE IN MOSER BAER INDIA LIMITED

From the forgoing discussion and after speaking to various workers, supervisors and managers in the plant, the Researcher observed that there were various socio-cultural, psychological, political and organisational factors which were responsible for the failure of the participation culture in this organisation. Now what is required to make the participation more effective? This question was put to a cross-section of people across the organisation by the Researcher.

8. SOCIO-CULTURAL ENVIRONMENT

Initially when the scheme was introduced, the required socio-cultural environment was not present which was responsible for the failure of the scheme. But now the situation has changed a lot. There is an increasing level of literacy and education, acceptance of equalitarian principles, economic freedom, etc. The implications of these changes will have to be taken into account for making the participative system work well.

9. BASIC EDUCATION AND TRAINING FOR PARTICIPATION

Many organisation like Moser Baer India Limited, just joined the bandwagon, because it was a much talked about scheme. They lacked the required education and training to make the

participative culture a success. The employees at this organisation are of the opinion that participation can be effective only when the knowledge and skills of employee representatives are equal to the knowledge and skills of the employers' representatives. To start with, under the present system, employers have an over whelming advantage. This advantage has to be neutralised. The knowledge and skills of employees has to be built up. What requires more attention or emphasis is the education, training and development of managers at the enterprise level. This is because the reservations and the ability to involve workers and their representatives in the decision making process are significantly deficient at the managerial levels. There are the values, ethos and culture which are distancing managers from workers and ultimately affecting their attitudes and behaviors.

10. EMPLOYER-EMPLOYEE ATTITUDE

It is found that the managers are satisfied with a scheme in which subordinates are not involved. Social scientists attribute this to the Indian culture. The manager acts like a traditional father and expects obedience from his subordinates. Managers view participation and even the delegation of a part of their authority with mistrust, since they feel that it is an encroachment into their domain and may result in an erosion in their hard earned authority. Hence, the employees at Moser Baer India Limited suggested that for participation to succeed, the attitudes of managers needs to undergo a change.

As far as the workers are concerned, they generally do not want to be drawn into any kind of participation. Firstly, they consider any kind of participation as an eyewash. Secondly, they feel that this will turn out to be a forum for passing on to them the entire blame for poor production, low productivity and lower profits. Why should they allow themselves to be the scapegoats? The workers have never been asked to do anything more than carry out instructions. They have never been asked to think and suddenly they are made not only to think but also to participate in the job of running an organisation. Obviously, they will look at the whole thing with suspicion. The workers have been told by the union officials that the management has a negative attitude towards them. There is a lack of trust between the management and the workers and this gap has to be bridged before it can be expected from them to sit down and discuss anything other than their grievances, wages, etc.

11. EMPLOYER-EMPLOYEE POTENTIAL TO PARTICIPATE

There are conflicting views regarding the abilities of especially workers participating in managerial decisions. It is argued that, to manage an industry requires specialized/technical knowledge and skills which the managers are supposed to have acquired by the virtue of their education, training, and on the job experience. In absence of such knowledge and skills, the workers are not really equipped the quality to participate in management effectively.

There are cases where workers have proved themselves to make decisions, and even able to manage organisations. Today's workers are relatively more aware and conscious of their environment, rights and responsibilities and more educated. This view strengthened by the fact that a few enterprises which workers took over have significantly turned the corner. While workers are not as proficient as the managers, we should not underestimate, the capacity of the

rank and file workers to understand the working of an enterprise. According to the employees at Moser Baer India Limited what this calls for is an additional dose of training inputs which can sharpen their knowledge and skills and to be effective partners in the management of industry.

12. WORKERS'-UNION ALIENATION

Workers organize themselves into trade unions to acquire and even retain social power. The membership is regarded as the main insurance against calamities, dismissal, accidents and other difficulties. The result is that the workers perceive the trade unions as crisis-oriented and not as extending beyond certain individual problems. Workers do not really expect trade unions to play a major role in participative structure at the management level. For the success of participative structure, this alienation of workers from such union representatives should be removed is what the employees have to say at Moser Baer India Limited.

13. UNION'S CO-OPERATION

Since the unions derive their strength from collective bargaining, they are apprehensive that participative forums may weaken their bargaining strength. Therefore, the subject matters which normally constitute the contents of collective bargaining have been kept out of the preview of participative forums. However, the distinction between work related issues and the interest related issues is more a futile exercise. These issues are inter-related and in reality cannot be mutually separated. Even the managers at Moser Baer India Limited have confirmed that they have observed tendencies on the part of workers' representatives to convert participative forums into bargaining forums. To make the participative forums work, they feel a condition should be created whereby the unions co-operate willingly to take part in these schemes.

14. CONCLUSIONS

Although Participative Management Scheme was introduced in Moser Baer India Limited as a part of the 20 point Economic Programme. During the study it was observed that in the opinion of both the workers and the management group, the existing level of participation of workers' in management levels of the organization which mainly are for issues like welfare, safety, housing, etc. This is nowhere adequate for fulfilling the objectives of participative management. The working results of participative management far from being encouraging have ended up in creating tensions between the labour and the management.

From this study, it has also been proved that the present system of workers' Participation is not accepted by either the workers or the management. The workers aspire for a mechanism through which they can express themselves before management. They do not want to share the authority, but they wish to hear and to be heard. The union leaders use it to demand more than what is intended in the Scheme. Management reacts negatively to the term participative management thus both parties are disappointed by the scheme.

It is concluded that the most important prerequisite for making participative management successful is the creation of a climate of co-operation and mutual faith rather than establishing the scheme as a mere formality. But the situation of co-operation in public enterprise is not so good. Following are some of the reasons why participation of workers in management is not so effective in the Indian environment:

1. A strong and effective trade union is one of the most important prerequisites of participative management. Trade unions in this enterprise (also in most of the other enterprise) are small, fragmented and financially weak. The multiplicity of unions and inter-union rivalry have made the task of making arrangement for union recognition quite difficult.
2. The entire labour management relation scene is dominated by the Government. All the schemes for participative management have been Government sponsored. The urge to participate and co-operate has to come from within. It should be a genuine voluntary effort leading to agreement between the parties and not forced.
3. The new scheme of workers' participation in management is an eye wash and does not give many powers to the workers. Moreover, since the representatives of the workers are not elected through secret ballot, it becomes only participation of "yes-men" by keeping management's prerogatives intact.
4. The mechanism of participation succeeds only when the attitudes of labour and management are congenial and co-operative. Actually, the attitudes of the parties in labour management relations are not so co-operative but are of suspicion and antagonism.

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