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# Design and Dynamics of Participative Forums

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## ABSTRACT

We have briefly discussed the rationale for participation and outlined the issues covered in the participative forums in India. It is noticed that the specific issues in respect of which the workers are interested most such as scope for division-making in such matters as retrenchment, recruitment or dismissal, closure and such other matters, are not covered by the participative bodies in the country. We have attempted to understand the functioning of the participative forums/schemes in the country in order to provide practical hints as to the appropriate designing of participative arrangements.

## KEYWORDS

Introduction, Rationale for Participation, Issues Involved in Participative Forums, Designing Appropriate Participative Forums and Dynamics Involved in Participation

## INTRODUCTION

Rapid industrial development and attainment of economic self reliance are the two major tasks which the country among others has set out to accomplish. The key to achieve these objectives is increased production. Output can't be increased unless there is effective co-operation between labour and management at all levels. The way of ensuring this is to satisfy their social and physiological need besides economic ones. Workers participation in management is one of the most significant modes of resolving industrial conflicts and encouraging among workers a sense of belongingness in establishment where they work. It affords due recognition to the

workers and enables them to contribute their best in all round prosperity of the country in general and industrial prosperity in particular. India which has launched a vast programme of industrialisation, the need for workers' participation is all the more important. It is in recognition of these needs that under the second, third, fifth and seventh plans specific measures have been suggested for workers' participation.

The last five decades are witnessed a striking development in the arena of workers' participation. Although the institution of workers committee consisting of the representatives of employers and workmen was provided as early as 1947 which seeks "to promote measures for securing and preserving amity and good relations between the employer and the workmen and to discuss day-to-day problem of the industry", the scheme of Joint Management Council (JMC) popularly known as workers' participation in management, was introduced on voluntary basis only after over a decade. However, the scheme of joint management council for various reasons could not succeed In order to meet this unhappy state of affairs and to secure greater measure of co-operation between labour and management to increase efficiency in public service, the Government of India on October 30, 1975 introduced a scheme of workers participation in management at shop floor and plant levels. In addition to these, there are voluntary schemes of making the workers' shareholders and Directors in the Board of Management. The inclusion of the concept worker participation in management in the directive principles of state policy through the Constitution (Forty Second) Amendment Act, 1976 gave momentum to the institution of workers' participation in management. After the Constitutional Amendment the Central Government expressed its intention to amend the 1975scheme and provide for effective participation of workers in production processes and accordingly amended the scheme in January 1977.

## **RATIONALE FOR PARTICIPATION**

The logic behind workers' participation in management is to create an atmosphere where workers and management feel closer to each other and work in

Unions unison to further the way of development and prosperity of the nation by feeling that the factory system led to subordination, regimentation and rendered worker. This clearly underlines the need for workers' participation and control in management. Regarding workers' participation in management, there are many schools of thought. But the following three approaches are most common

### **1) BEHAVIOURALIST AND HUMAN RELATIONS SCHOOLS**

The main arguments of the behaviouralist and human relations schools in favour of workers' participation are that: (i) in large complex organisations work is repetitive, boring and alienating, (ii) these organisations also tend to block individual growth and self-development leading to apathy, a wasting of human abilities, and dysfunctional activities such as strikes, work restriction and destructive competition; and (iii) participation releases the creative abilities of the individual.

### **2) THE ARGUMENT OF ADVOCATES OF INDUSTRIAL DEMOCRACY**

The advocates of industrial democracy extend the concept of participation from political democracy. They see an industrial organisation as a society in miniature; and argue that the democratic principles can be applied to a great extent in an industrial organisation. According to them, employees as important stakeholders have a claim to the formulation of policies and the decision-making process.

### **3) THE VIEWPOINT OF THE "DIEHARDS" (RADICAL SOCIOLOGISTS AND MARXISTS)**

Following the classical Marxist approach, the "diehards" advance the argument that a worker invests their lives in industries, toils and puts everything, so they have a claim for greater control over industries and their management. They must have the right to share authority and power to manage. In other words, it is not so much workers' participation in management that they advocate but workers'

control by which it is possible “the establishment of working class centres of authority within the hostile framework of capitalist society”.

Thus ‘power’ seems to be an underlying factor in all the three schools. The basic difference in orientation between the protagonists of the human relations school and the Marxist approach is that for the former, power equalisation is seen to lead to more productive, efficient organisations as well as happier, better adjusted human beings. For the Marxists, workers’ control would signify an important attribute of social change.

What forms of Workers’ Participation are acceptable to the advocates of the above three approaches? It will be easy to observe that those who accept the rationale of the human relations school could remain content with some of the manifest forms of participation. On the other hand, advocates of industrial democracy would want some representation in the decision-making process of participative forums.

**RELATIONSHIP OF RATIONALE WITH PARTICIPATIVE FORM**

<b>Approach</b>	<b>Focus</b>	<b>Acceptable Forms/Forums of Participation</b>
Behaviourist	Power/Power equalisation	Information sharing, consultation and sharing of views.
Industrial Democracy	Power/Some representation in the policy-making decision making process	Providing representation to workers/unions in the decision-making forums (Associative Participation and Decisive Participation).
Marxist Approach	Power/Workers’ control over industrials and their management	A participative forum where, at the very least, workers’ representatives (selected through direct worker election) can exercise control in the decision-making process. In the terms of form, parity is expected at all levels of the decision-making process i.e. from top to the grass root level.

## ISSUES INVOLVED IN PARTICIPATIVE FORUMS

One of the important aspects of participative management is the issues involved in the participative forums. Broadly speaking, the range of issues in any enterprise on which decisions need to be taken from time to time can be classified into five major leads – safety and welfare issues, work-related issues (such as production on the shop-floor or quality), sharing of gains (wages, incentives, allowances), production related issues (product-mix, plant production targets, technology) and business policy (expansion, contraction, pricing).

To introduce a scheme of participation, its choice of the forms of participation that can be used to take decisions in respect of the above mentioned issues largely depends on: (i) the degree of influence the workers have over the management (as perceived by the management); (ii) the importance that the management attaches to each of these issues, and (iii) management's perception regarding the effectiveness of each of the forms of participation.)

The various types of management's involvement with workers i.e., participative forms, are: information-sharing, bargaining, consultation, associative participation and decisive participation. The last two forms i.e., associative participation and decisive participation are identified together as "Participative" form by some academicians. These variations range along the degree of influence that the workers have over the management)

Participation	•	•			
Consultation				•	
Bargaining			•		
Information- sharing					•
Forms/ Issues	Safety and Welfare	Work related	Sharing of Gains	Production related	Business Policy

**Issues and Forms in Participation of Workers**

The matrix represents a model of participation in an enterprise where safety and welfare and work-related issues are determined through participation (associative and decisive participation), sharing of gains is decided through bargaining, production related issues are placed for consultation. Business policy is merely informed to employees.

## **ISSUES COVERED IN THE PARTICIPATIVE FORUMS IN INDIA**

The effectiveness of the participative forums from the perspective of workers in the Indian context, we have to focus more on the issues involved in these forums rather than on the structure of the forums and the participative forms adopted by the enterprises to deal with the issues)

A brief description of the participative forums introduced and the forums proposed to be established and the main issues involved in these forums. From the Table it is clear that the Government's intention has always been to improve productivity and enhance production. The titles of the issues proposed to be covered by the 1983 scheme and 1990 Bill appear to be interesting for, economic and financial and 'personnel' issues do figure in the lists. Wide-ranging powers to co-determine such issues like dismissal, retrenchment, re-training and re-deployment of workers arising out of technological upgradation. India allow workers to deliberate on matters like absenteeism, alcoholism and gambling. Now, problems relating to absenteeism or women workers, even in worst of times, do not affect over three-quarters of the workforce.

Issues like the introduction and consequences of new technology, redundancy, manning levels, retrenchment, recruitment or dismissal, closure and such matters that are of cardinal importance to workers find no mention in the scheme. But these are the issues that workers are most concerned about. If it is argued that these matters come under the purview of collective bargaining

negotiations, then it must also be acknowledged that participative forums only deal with those issues that have tertiary interest to workers.

The interest is however likely to be contingent on two factors: (i) the level of information supplied by management, and (ii) the extent to which workers can utilise their participative rights in furthering their bread and butter concerns.

"the role assigned to these committees is only limited to promote measures for ensuring and preserving amity and good relations between employers and workmen; they are not authorised to take decisions on real or substantive changes in the conditions of service".

The overwhelming concern of these participative bodies is therefore with production and raising productivity levels. Any improvement in these areas would certainly be beneficial to the organisation. In real times, the rewards of such a benefit would accrue to the shareholders in terms of sustained or increased dividends, with senior managers likely to earn higher bonus and advancement. The workers on the other hand, do not get any immediate benefit. Serious students of industrial relations would perhaps agree that any increase in workers' wages and benefits are more dependent on their collective bargaining power as manifested in the long term agreement that the union negotiates every three or four years.

In other words, workers are least likely to involve themselves in a participative scheme where the resultant benefits accrue to other parties but not to them.



	Participative Forums	Purpose/Issues Involved
1.	Works Committees (under the industrial Disputes Act, 1947)	<p>As per Sec. 3(2) of the I.D. Act, a works committee is required to promote measures for securing and preserving amity and good relations between the employers and workmen, and in order to achieve the end, to comment upon methods of common interest or concern and endeavour to remove any material difference of operation in respect of such matters.</p> <p>The Indian Labour Conference (a tripartite body) endorsed in 1961 the following list of matters proposed by a tripartite committee (appointed by the 1LC) which the works committees should normally deal with:</p> <ul style="list-style-type: none"> <li>(i) conditions of work such as ventilation, temperature, lighting, etc.</li> <li>(ii) Committees such as drinking water, canteens, crèches, medical and health services,</li> <li>(iii) (iii) safety and accident prevention; occupational diseases and protective equipment,</li> <li>(iv) (iv) adjustment of festivals and national holidays.</li> <li>(v) Administration of welfare and fine funds,</li> <li>(vi) educational and recreational activities such as libraries, reading rooms, sports, games, community welfare and celebrations)</li> <li>(vii) promotion of thrift and savings and</li> <li>(viii) Implementation and review of decisions arrived at meetings of works committee.</li> </ul>
2.	Joint Management Councils (introduced in 1958)	<p><b>Purpose:</b></p> <ul style="list-style-type: none"> <li>i) Promoting increased productivity</li> <li>ii) Giving employees a better understanding of their roles and their importance in the working of the industry, and in the process of production.</li> </ul>
3.	The Participative Schemes of 1975, and 1977 (Voluntary schemes)	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>i) <b>Operational Areas-</b> like productivity quality and technological improvements, storage, housekeeping and maintenance.</li> <li>ii) <b>Economic and Financial Areas-</b> like reviewing operating expenses, financial results, labour costs, and market conditions.</li> <li>iii) <b>Personnel Matters-</b> like absenteeism, social security schemes and special problems of common workers.</li> <li>iv) <b>Welfare Areas</b> such as sports and control of gambling, drinking and indebtedness.</li> <li>v) <b>Environmental areas</b></li> </ul>



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## DESIGNING APPROPRIATE PARTICIPATIVE FORUMS AND DYNAMICS INVOLVED IN PARTICIPATION

The appropriate design of participative forums, one has to analyse the dynamics involved in participation. A careful study of the functioning of the participative forums in the Indian context indicates that the following dynamics are involved in participation:

### 1) IMPORTANCE INCLUSION OF SUBSTANTIVE ISSUES IN PARTICIPATIVE FORUMS

Substantial issues like the introduction and consequences of new technology, manning levels, retrenchment, recruitment or dismissal, closure and such other matters fall beyond the purview of the participative forum. In some organisations the workers' representatives succeeded in taking up such issues in the participative forums. But the management of these organisations argued that those issues should genuinely fall under the purview of collective bargaining and are, therefore, beyond the scope of participation.

The issues like improving productivity and cost cutting measures which are dealt by the participative forums are the issues in respect of which managements negotiate

### 2) POWER AS AN INTEGRAL ASPECT

The concept of workers' participation in decision-making, organisations are actually altering the very balance of power that exists between the givers and receivers of orders. At the very least, participative forums exalt the status of workers to the level of managers, irrespective of the limited scope of the issues discussed and the even more limited duration of time-span involved. But once these forums are created worker representatives would tend to retain the power that these bodies give to them.

As 'power' is an integral aspect of participative forums, it is unwise for any Organisation to disturb the 'power' that is given to the workers' representatives.

### 3) ACQUIRING LEGITIMACY AND DIRECTIVE AUTHORITY

One of the dimensions of the power syndrome of these participative forums is their tendency to acquire legitimacy. When the constitution of these bodies does not specifically legitimise their existence and delineates the scope of their functioning, such forums take on a sovereign-like role in legitimising their existence. In such circumstances, it has been seen that one of the first acts of a participative forum is to define its own scope and range of activities. Dimensions of power and the quest for legitimacy make these participative bodies extend their scope of functioning to acquire rule-making functions.

### 4) IMPEDIMENTS/HURDLE TO THE FUNCTIONING OF PARTICIPATIVE FORUMS

There are many impediments to the functioning of the participative forums effectively. Some of the most serious impediments in the Indian context are: (i) multiplicity of unions and union rivalry; (ii) Employees' and trade unions' perceptions about the schemes (ii) lack of inadequate education and training among workers with regard to certain aspects of participation; (iv) lack of specific arrangements for sharing the gains of participation)

i) **Multiplicity of Unions and Union Rivalry:** Multiplicity of unions and the consequent inter-union rivalry have been serious obstacle in the way of the effective functioning of the participative bodies.

ii) **Employer's and Trade Union' Perceptions about the Schemes of Participation:** Many employees and trade unions in the country have considered and many still consider the various schemes/forums of workers' participation in the country as having been imposed on them by the

government. "Any scheme of workers' participation involves attitudinal change, both for workers and employers, and as such, should be voluntary.

- iii) **Lack of/Inadequate Education and Training among Workers with regard to Certain Aspects of Participation:** One of the impediments to the effective functioning of the participative forums is the lack of/inadequate education and training among the workers with regard to the content, process, utility and other relevant aspects of participation.
- iv) **Lack of specific arrangements for sharing the gains of participation:** Workers are assured in a vague manner that they would gain if production increases and quality of products improves as a result of participation. The vague and remote expectations cannot be expected to enthuse worker.

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