

The complementary role played by Management and labour in Industrial Harmony.

V Murali Manohar

*Research Scholar, Department of Economics, Vasantrao Naik, Gov. Institute of Arts and Social Sciences, Nagpur
Rastrasant Tukadoji Maharaj Nagpur University, Nagpur*

Abstract-Industry is compared to a flower, which must be handled carefully and delicately. The industry must be enabled to blossom fully without any hindrance. We cannot get the best out of the industry by squeezing or crushing it, as a flower gives honey just as the industry yields profits (G. Ramanujam, 1983). In this paper, there is a theoretical framework of the role played by both the workers who are well supported by trade Unions and Management for the smooth running of the organisation, thus providing Industrial harmony.

I. Introduction

Industrial harmony can be attained when the workers and management join hands together for the smooth running of the organisation. This concept of working with management and labour is known as workers' participation in management or labour participation in management. In Germany, it is known as co-determination; in Yugoslavia, it is known as self-management.

Employee participation includes collective bargaining between trade union representatives and management (Raymond Markey, 2018). The concept of workers' participation in management in India was recommended in the second Five-year plan, which aims to build commitment and develop initiatives within work teams. The idea of participative schemes in India was felt in the mid-1950s and 1960s after independence, more by the government than by the employers because of rapid industrialisation. Workers' participation in management came to India through the government's intervention.

The Idea of Participative Management:

Participative management is an open form of management where employees are actively involved in the organisation's decision-making process. The concept is applied by managers who understand the importance of human intellect and seek a strong relationship with their employees. (Management Study Guide, n.d.)

This practice grew out of the human relations movement in the 1920s and is based on some of the principles discovered by scholars researching management and organisation, most notably the Hawthorne Experiments that led to the Hawthorne effect.

While group leaders still retain final decision-making authority when participatory management is practised, participants are encouraged to voice their opinions about their current environment. In the workplace, this concept is sometimes considered industrial democracy.

Participatory management may lead to increased productivity, motivation, job satisfaction and quality enhancement; however, it may also slow down the decision-making process and pose a potential security threat by providing access to valuable information to fellow employees. (Wikipedia, n.d.)

The advantages of a participative management style:

- **Increase team morale.** Participative leaders give every team member a voice. Because employees play an active role in the company's success, they are more motivated and engaged with their work.
- **Promote collaboration.** Association contributes to higher morale as well as improved communication between team members. Employees are provided with the flexibility to work together to reach goals, make plans, and help one another.
- **Uncover creative solutions.** Since employees are encouraged to collaborate, a free-flowing exchange of ideas often leads to innovative solutions.
- **Teams more readily accept decisions.** Knowing that each team member contributed to the decision-making process makes employees feel more confident about the outcome.
- **Improve employee retention.** Participative managers foster an environment that makes people feel genuinely valued. They give employees plenty of development opportunities—showing that there is room for them to grow within the company—and offer them chances to implement their ideas. This significantly contributes to improved employee retention. (HRDQ, 2020)

Historical background of WPM:

In 1920, Mahatma Gandhi introduced the concept of WPM in India. In Ahmedabad, textile workers and employers agreed to resolve the dispute through joint participation. In 1958, TISCO set up committees for workers to participate in various matters related to the organisation. (Ipleaders, 2020)

ILO on Workers Participation in Management:

The ILO's deep commitment to the involvement of workers in the affairs of industrial establishments and the various international instruments that successive international labour conferences adopted are too well known to require reiteration.

ILO believes that the size of the investment, the nature of technology and even favourable market conditions may not be of much value if the human factor in the production process does not respond constructively to production dynamics. It also believes that any management should view an informed and committed labour force as the best asset, whether in the private or public sector. The first set of ILO instruments in this respect included the right to organise and collective bargaining convention in 1949, the collective agreements recommendations in 1951, and the cooperation at the level of understanding recommendations in 1952. The following assumptions constitute the rationale for workers' participation in governance:

- (1) Workers have ideas which can be useful
- (2) Effective two-way communications are essential to sound decision making
- (3) Workers may accept decisions better if they participate in them
- (4) Workers may work more with involvement if, through participation in decision making they are better-informed about the reasons for and the intention of decisions
- (5) Worker's participation may act as a spur to managerial efficiency
- (6) Worker participation may foster a more cooperative attitude amongst workers and management, thus, raising efficiency by improving teamwork and reducing the loss of efficiency arising from industrial disputes

The concept of participation marks breaks with former conceptions of the employment relationship, such as the master and servant concept. That mere higher of services and payment of wages under a contract between parties were regarded as legally equal besides fair compensation. A worker today expects job security, job satisfaction, better working conditions, a safe and healthy work environment and personal fulfilment through their work.

Growth of the concept around the world:

Towards the end of World War I, the idea of workers sharing in decisions which govern the undertaking took practical shape with the setting up of joint committees or work councils in various countries of the West. In Great Britain, joint committees were advocated by the Whitley Report of 1916 and were set up in a few principal undertakings two years later. Legislation on 'Works Councils' was promulgated in Austria in 1919, Czechoslovakia (1920) and Germany (1920); Factory committees were recognised in Russia in 1917

In the USSR and other plant economy countries of Eastern Europe, the economic reforms introduced in 1965 have contributed to the development of participation by workers and their representatives in management and a broadening of the scope of workers' agreements.

Indian experience of Workers' Participation in Management:

Efforts to involve the employee in industry management in India have been made at various periods and in different forms. The works committee under the Industrial Dispute Act 1947 was the first attempt to involve workers in a limited way to discuss work-related issues. In 1950, Article 43A of the Constitution of India called upon the State to secure workers' participation in management through legislation or otherwise. The Second Five Year Plan emphasised the increased association of labour with management for the successful implementation of the industrial development component of the plan. The joint management councils' approach in 1958 and the 1975 scheme of workers' participation in management were attempts outside the law (Sunil Guha)

Participative Management in TATA STEEL

Worker's participation management, as in Tata Steel, succeeds the whole culture of industrial relations is different from what we find in the country today. In India, the Tata Steel scheme is a closer association of employees with management as it exists today with the agreement between the Tata Iron and Steel company limited and the Tata Workers Union on 8 January 1956. As stated in the agreement, the company felt that an

increasing measure of closure association of the workers with management in the working of the industry was desirable because it would help in:

- (1) Promoting increased productivity for the general benefit of the enterprise
- (2) Giving employees a better understanding of their role and importance in the working of the industry and the process of production and
- (3) in satisfying the urge for self-expression.

Some of the main features of the scheme:

- (1) Tata Steel has a philosophy of discussing and settling matters across the table instead of confrontation, which has brought mutual trust and confidence in the organisation
- (2) A Strict demarcation between interest-related matters under collective bargaining and work-related issues under joint consultation has proved very effective
- (3) Though joint councils in Tata Steel have an advisory role, a healthy convention has been built up by which recommendations are commonly accepted by the management unless there are special reasons or difficulties in implementing them.
- (4) An annual stocktaking of the working of joint councils, continuingly, has helped to make timely changes in the scope, structure, and functions of joint committees.

II. Conclusion:

Both management and labour should have a cooperative attitude towards each other and a positive attitude toward consultation. Both groups should have realised the significance of joint consultation for productivity and efficiency in the industry. The workers must have a sound base of unionism. The union should be able to act confidently at the worker's spokesperson plants and should have a sufficiently long history of harmonious industrial relations. (B.K. Dinda)

Workers get motivated and develop a sense of belonging to the organisation if relevant information is disseminated purposefully, sincerely, and with all seriousness it deserves. (Pande, July 2009)

Participative management holds the key to future industrial progress in our country. If productivity goes up, it must be based on cooperation. It cannot be based on conflicts. Participative management is a very efficient tool for improving productivity and improve discipline.

Both management and employees have realised that in the age of competition, survival is possible only when the management team works in consultancies with employees to excel and face change challenges.

The Tata Workers Union has been a partner in a well-functioning participative management system that has resulted in a widely acclaimed and successful industrial relations system. The case of Tata Steel and its Workers Union underscores the benefits of a bipartite system that uses participative management techniques to include workers in the decisions that affect the living and working conditions. It increases workers' confidence in the company and its management. It creates an unparalleled bond between the company and its workers, who see themselves getting enriched more than merely financially if they continue to work for the company. (Kumari, The Role of Tata Worker's Union in Implementation of Participative Management, July, 2012)

References :

- [1]. (2019-22). Retrieved from tata.com: <https://www.tata.com/business/tata-steel>
- [2]. B.K. Dinda, G. S. (n.d.). Worker's Participation in Management. Jamshedpur: Michael John Centre for Research and Human Resource Development.
- [3]. HRDQ. (2020, October). Retrieved from <https://hrdqstore.com/blogs/hrdq-blog/participative-management-style-advantages-disadvantages>
- [4]. Ipleaders. (2020, October). Retrieved from <https://blog.ipleaders.in/understanding-significance-workers-participation-management/>
- [5]. Kumari, P. (2012). The Role of worker's Union in Implementation of Participative Management. Journal of Advances and Scholarly Researches in allied Education, 1-3.
- [6]. Kumari, P. (July 2012). The Role of Tata Worker's Union in Implementation of Participative Management. Journal of Advances and Scholarly Researches in allied Education, 1-3.
- [7]. Management Study Guide. (n.d.). Retrieved from <https://www.managementstudyguide.com/participative-management.htm>
- [8]. Pande, B. (July 2009). Workers Participation in Management. Indira Management Review, 43-53.
- [9]. Sunil Guha, D. I. (n.d.). Ilo's Role in promoting Labour Participation in Management. Seminar on Workers Participation in Management. Jamshedpur: Research & HRD TWU.
- [10]. Wikipedia. (n.d.). Retrieved from https://en.wikipedia.org/wiki/Participatory_management