

Participative Management of Employees in Decision-Making: An Empirical Study

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Abstract

Participative management of employees in decision-making is considered as a mechanism where workers have a say in the decision making process of an organization. In India WPM is an element of government labour policy. The concept behind this is to improve better relations among employees and workers. The present paper tries to explore about the workers participation in management in Visakhapatnam Steel Plant (VSP) by considering 604 respondent employees of steel plant in order to know their opinions regarding the above mentioned topics by using convenient sampling method, because VSP is big organization consisting of more than 20,000 employees (Both Permanent and Contract). All the employees are busy at their work and it will be difficult to collect the first hand information from the employees by using any other sampling methods except convenient sampling method.

Keywords: Employees, Joint Consultative Machinery, Participative Management, Visakhapatnam Steel Plant, Visakhapatnam.

1. Introduction

The highlights of the Indian experience, with regard to workers' participation in management is that, the schemes have although been initiated by the government. Taking into account the economic, political and worker/trade union situation in India, the government's initiative for participative management is justified. The global experience also stands testimony to such initiative. The trade unions in India who have demanded for nationalization of industry that culminate in people's participation in the economic activity have been conspicuous by their silence with regard to workers' participation in the industrial activity.

There has been a phenomenal growth in number of units adopted by JMCs in public sector (augmented from eight in 1958 to 140 in 1976). JMCs in some of the public sector undertakings, for example, Bharat Heavy Electricals Limited have provided an appropriate forum for effective communication, and management unreservedly furnished all facts and information sought for, the unions have responded by moderating their enthusiasm and exercising reasonable restraint in demanding information, disclosure of which could be detrimental to the interest of the organization. Deliberations in JMCs are characterized by mutual understanding and a high level of objectivity in the appreciation of problems without acrimony or emotionalism.

2. Objectives of the Research

- To present the scenario of participative management in VSP.
- To recognize various participative forums in Visakhapatnam Steel Plant.
- To know the opinions of the respondents regarding the success of Participative Management.
- To identify the reasons for limited success of workers participation.

3. Participative Management in Visakhapatnam Steel Plant

Management of Visakhapatnam Steel Plant also facilitates Workers Participation which secures a right for the recognized union in representing their views and opinions regarding production, safety, canteen and township development etc., through the formation of different Committees at Shop floor and Plant level. But these committees constitute the representatives of recognized union, leaving behind the opinions of the other unions that constitute to around 60% of employees.

This lead to the inter-union rivalry as the non-recognized unions were set aside without being consulted regarding the policy matters, creating difficulties in implementation of issues that was settled through negotiations.

3.1 Emergence of JCM

To overcome this limitation an alternative method called “Joint Consultative Machinery” was introduced. Joint Consultative Machinery constitutes representatives of all the unions, which got more than 15% of the total votes polled during the union elections. Their number will be equal to the management representatives being nominated by the organization. This facilitated the non-recognized unions too in presenting their opinions. The total numbers of union representatives are equally divided among the unions having more than 15% of the polled votes.

Joint Consultative Machinery extends its scope in the areas like production, productivity, quality, safety, corporate affairs, work related issues, incentives, deployment/re-deployment, job rotation etc., According to the terms of settlements departmental safety committees with an apex plant level safety committee were being constituted to look after all issues relating to safety. And each department of the organization constitutes Joint Consultative Machinery to discuss production, welfare and so on covering all the matters of employees and management. In addition, a company levels Corporate Business Information Forum (CIBF) to discuss functional aspects of Visakhapatnam Steel Plant with the participation of top management and senior representative of major unions.

Facilitating all the major unions in Joint Consultative Machinery helped a lot in diminishing the Inter-union rivalry and led to the establishment of peaceful Industrial Relations climate.

But, Joint Consultative Machinery works only when the recognized union co-operates with other union. CITU, when in chair, accepted to share it but, AITUC didn't so, as a result of it, Joint Consultative Machinery came to standstill. This non-performance of Joint Consultative Machinery led to the establishment of Participative Forum in a different form.

4. Committees Which Are Formed At Plant Level Are Explained in Brief Manner

4.1 Work's committee

In any establishment 100 or more workers are working it has to establish a workers committee which shall represents members from both the employer and employee.

4.2 Welfare Fund Committee

Chairman nominates this committee chairman or the Director is the chairman Welfare Fund Advisory Committee. This Committee consists of Union representatives; personnel officer will be the secretary.

4.3 Canteen Committee

There are totally 10-15 canteens in VSP, at various work spots. All the canteens are managed by Management Committee. Some canteens are nominated by Director.

The other canteens are nominated by elected committees.

The canteen, Rest Houses & Lunchrooms are under the control of the committee.

The committee consists of

- Section Officer : acts as a Secretary
- Other Committee members : Selected among the workers.

The decision & management relating to these canteens, Rest houses & Lunch rooms are taken by the committee & holds full responsibility also.

4.4 Allotment of Quarters Committee

Chairman nominates this committee senior officer is the chairman of this committee Personnel officer is the secretary.

Four members from unions (Rotation).

These committee members meet on last week of every month.

4.5 Safety Committee

Consists of union representatives, management representatives and safe doubt representatives. They discuss various safety aspects of safety and implementation of various safeties to avoid fatal accidents. This committee will review various decisions taken in the meeting and implementation. Regarding to workers participation in management, respondents perception gathered and shown in the following tables.

Table: 1 Respondents Participation in Management Committee

| Response | No. of Respondents | Percentage |
|----------|--------------------|------------|
| Yes | 572 | 95 |
| No | 32 | 5.0 |
| Total | 604 | 100 |

Source: Primary Data

Table no. 1 reveals that majority (95 per cent) of respondent viewed that they were been allowed to participate in the committee affairs, 5 per cent of respondents expressed that they had no privilege to participate in management committees. Hence, we can conclude that majority members among respondents were considered to participate in the committees. It is better to increase the number of members to participate in the committees.

The above are the details gathered regarding to participation in management, but it is interesting to know that how effectively it is followed in the organization, regarding to that following information is presented in the following table.

Table: 2 Respondents Opinion on Success of WPM

| Response | No. of Respondents | Percentage |
|----------|--------------------|------------|
| Yes | 229 | 38 |
| No | 375 | 62 |
| Total | 604 | 100 |

Source: Primary Data

Table no. 2 describes the respondent's opinion on success of workers participation in management in VSP. About 38 Per cent of respondent opined that workers participation in management in successfully managed by 62 per cent of respondent expressed that it is not successively organized. Reasons for ineffectiveness is cited in the table no. 3 Even researchers further estimated the reason for limited success of participation in the organization; it was presented in the following table.

Hypothesis: There is association between the reasons for limited success of workers participation and no. of respondents.

Table: 3 Respondents Perception on Reasons for Limited Success of Workers Participation

| Reasons | No. of Respondents | Percentage |
|-----------------------|--------------------|------------|
| Absence of commitment | 190 | 31.44 |
| Lack of interest | 303 | 50.21 |
| Limited members | 111 | 18.35 |
| Total | 604 | 100 |

Source: Primary Data

Table: 4 Rank Correlations between Reasons for Limited Success of Workers Participation and No. Of Respondents

| Reasons | Rank -1 (R ₁) | No. of Respondents | Rank - 2 (R ₂) | d=R ₁ -R ₂ | d ² |
|-----------------------|---------------------------|--------------------|----------------------------|----------------------------------|---------------------|
| Absence of Commitment | 1 | 190 | 2 | -1 | 1 |
| Lack of Interest | 2 | 303 | 1 | 1 | 1 |
| Limited Members | 3 | 111 | 3 | 0 | 0 |
| | | | | | Σ d ² =2 |

Here n = 3

Rank correlation coefficient

$$\rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

$$= 0.5$$

From the above information it can be understood that 50.21 per cent of respondents expressed that lack of interest is the main reason. 31.44 per cent of respondent were opined for absence of commitment.

The analysis further revealed that there is correlation between the reasons for limited success of workers participation and no. of respondents.

Researcher further gathered information regarding to overall implementation of participation in the organization, in regarding to that following are the details presented in the following table:

Hypothesis: There is association between the perception on overall workers participation in management and no. of respondents.

Table: 5 Respondents Perception on Overall Workes Participation in Management

| Response | No. of Respondents | Percentage |
|--------------------------|--------------------|------------|
| Highly effective | 195 | 32.28 |
| Moderate effective | 307 | 50.82 |
| Effective to some extent | 90 | 14.90 |
| Poor | 12 | 2.00 |
| Total | 604 | 100 |

Source: Primary Data

Table: 6 Rank Correlations between Responses Regarding Wpm and No. of Respondents

| Responses | Rank -1 (R ₁) | No. of Respondents | Rank - 2 (R ₂) | d=R ₁ -R ₂ | d ² |
|--------------------------|---------------------------|--------------------|----------------------------|----------------------------------|------------------|
| Highly effective | 1 | 195 | 2 | -1 | 1 |
| Moderate effective | 2 | 307 | 1 | 1 | 1 |
| Effective to some extent | 3 | 90 | 3 | 0 | 0 |
| Poor | 4 | 12 | 4 | 0 | 0 |
| | | | | | $\Sigma d^2 = 2$ |

Here n = 4

Rank correlation coefficient

$$= \rho = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

0.8

Table no. 5 describes that 51 per cent of respondents opined that workers participation is moderately effective in the organization, 32.28 per cent expressed that it is highly effective 14.90 per cent opined that, it is effective to some extent and negligible percentage opined that it is maintained at poor performance. Overall conclusion is that workers participation in VSP is working effectively to some extent only.

The above analysis projects that there is correlation between the responses regarding workers participation in management and no. of respondents.

5. Summary & Conclusion

Prerequisites for the thriving implementation of the schemes of workers' participation in management are appended below:

- There should be progressive management in the enterprise and should recognize its obligations and responsibilities towards workers and trade unions.
- There should be strong, democratic and representative union which should represent the cause of workers without neglecting the management's interest.
- There should be closely and mutually formulated, objectives for participation by trade unions and management.
- All parties concerned to participative management should feel that they should participate at all levels.
- There should be effective consultation of the workers and management and effective consultation of the workers by the management.
- Both the parties should develop a favourable attitude towards the schemes of participative management etc.

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