Workers' Participation in Management in India is closely linked to the British rule in India. Even since the recommendations of Whiteley Commission in Britain in 1920 there have been some discussions about the introduction of joint Management Councils in India. However, no concrete steps were taken by the British rulers in India. It was only after the independence that the participative movement in India gained momentum.

The Industrial Disputes Act passed by the Indian Parliament in 1947 provided for the establishment of works committees in large industrial undertakings, comprising equal number of employers' and workers' representatives. The workers' representatives were to be elected by plant workers. The objectives of the works committee were to 'promote' measures for securing and preserving amity and good relations between employer and workmen and to that end to comment upon matters of their common interest or concern and ensure to compose any material difference of opinion in respect of such matters. They were to discuss wide range of topics connected with welfare aspects, like conditions of work as well as ventilation and toilets, drinking water and canteen, medical and health services, safety, holidays, recreational activities and administration of welfare funds. However, topics like wages, terms of contract, rationalisation etc., which come under the purview of the collective bargaining were excluded. The role of the works committee was consultative and advisory in nature and their decisions were not binding on the management.

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In 1956, an Industrial Policy Resolution was adopted by the Government which stated that there should be some joint consultation whereby workers be associated with the management with a view to maintaining industrial peace and improve industrial relations. A study group, comprising representatives from the government, trade unions and the employers was sent to U.K., Sweden, France, Belgium, West Germany and Yugoslavia to study the experience of the worker's participation in management. On the basis of this study, the group suggested a scheme of workers' participation in management which was almost similar to the British system of Joint Management Council and Committees.

The functions of Joint Management Councils were primarily consultative which included (i) administration of standing orders and their amendments, (ii) retirement, (iii) rationalisation and closure. Their recommendations were not at all binding on the management. Even if the management was reluctant to share complete financial and other information about the enterprise, the Joint Management Council or the workers had no remedy to force the management to share such information.

The Joint Management Council also had the right to receive information and give suggestion on issues like (a) general economic situation of the enterprise, b) the state of market, (c) production and sales figures, (d) the annual balance sheet and profit and loss account and (e) long-term expansion plans of the company. The Joint Management Council was also given some administrative role in welfare measures, safety provisions suggestion schemes etc.

Initially there was lot of enthusiasm about such councils and more than 100 large concerns established Joint Management Councils in their enterprise. However, gradually the interest in such councils diminished.

The Government of India set up a study group in 1962 to report on the working of the Joint Management Councils. The study group did identify some of the weaknesses of Joint Management Councils and recommended that more stress be laid on the workers' education, involving the middle management
British Bias

The outlook of the Indian Managers in India is fast changing - from the old feudalistic to modern democratic. In Western Countries change came through painful evolutionary process while in India changes are being affected rapidly. Due to the vast gap between the thinking of the intellectual elite and the tradition bound Indian masses, the changes sought to be brought about through State policy have not struck roots. Therefore, the institutions created exist formally but do not function effectively.

Moreover, for historical reasons, the Indian elite were mostly influenced in the past by the British system, since collective bargaining is given predominance by the trade unions in Britain. In India also all the parties including, academicians consider free and frank collective bargaining to be an end all and be all of industrial relations systems. The copy of the British system is also naturally reflected in the structure of workers’ participation in management. A time has now come when India should develop its own institutions; and possibly learn from other countries too where the participative system has been considered to be a success like West Germany. Thus in Britain the so-called system of free and frank collective bargaining has not worked and she is seeking a way out. However, in India though all the parties emphasise on mutual trust, understanding, co-partnership, etc., they recommend collective bargaining which is based on mistrust and misunderstanding as a solution. The system of joint management councils and committees has neither worked in Britain nor in India. Therefore, the revival of the same institutions is not likely to succeed, unless some other system is tried.

Attitudes of Employers

The concept of master and servant is still prevalent in our industrial sector. Though lip sympathy to workers’ participation in management is given, very few, especially the employers and top management, are willing to practise it unless it results in personal gains to them. For example, the employers would accept workers’ participation provided the workers’ representatives think only of increase in production in a narrow sense. The moment they ask for complete sharing
the workers are really interested, with the result that such trade union leaders cease in practice to be the real representatives of workers. A meaningful participation is only possible when the employee representatives at all levels of participative institutions come from the workers themselves and not from outside.

Another pre-requisite for the success of the workers’ participation is that the social power in industries has to be distributed in such a way that it tends to be shared by all rather than it being concentrated in a minority of alienated leadership. For the success of the participative structure, it is also necessary that the leadership is responsible to and removable by the many. If the leadership is, on the contrary, controlled by some political party or loyal to a narrow social stratum, it will not ensure effective working of any participative management structures. In the Indian context, the narrow commitment to political parties or groups is a hindrance to workers’ participation in management as it has to confine to the narrow party lines. As such, the participative institutions created in India should be workers’ institutions and not the institutions belonging to a particular group.

**Role of Workers’ Representatives**

Looking at the trade union movement in India and the level of the workers’ responsibility on top participative bodies, it becomes clear that the workers’ representatives find it difficult to reconcile union power with the purpose and objectives of the organisations, while making at the same time a direct impact on the working life of those whom they represent.

Thus, there seems to be a role conflict, whether the workers’ representatives should work as part of the management or as the watch-dog of the workers’ interests. Working as part of the management alienates them from the workers. Thus, their role, largely depends upon the objectives which the concerned parties would like to achieve from participation. If the objective is to prevent exploitation, the major role of the workers’ representatives in the participative bodies becomes that of a watch-dog. They will have to ensure that while taking any policy decisions, the short as well as long-term needs and interests of employees
ORGANISATION CULTURE

For the success of participative institutions, a suitable culture has to be created in the organisations. The personnel policies of an enterprise, including appraisal and promotional systems, must support the participative institutions. The supervisory and managerial style of leadership at the work place has to be made participative. In one of the studies conducted by Dhingra, out of 265 managers in public sector undertakings in India, nearly 50 percent of the managers did not believe in participative style of management at the work place. The personnel policies of the organisation also indirectly supported those who do not have mental acclimatisation to participation by providing promotion to only such managers. Thus, a pre-requisite of participative management is the creation of an appropriate climate and culture congenial to participative institutions.

PRODUCTIVITY AND EQUITY

In India, one of the pressure tactics of the trade unions to get their demands accepted is to curb production through direct or indirect industrial actions. The management pays in the same coin by threatening their employment, security and wages. These pressure tactics result in decreased productivity and ultimately reduces the profit to be shared by the parties. In Germany, both the parties have no dispute over the fact that the size of the cake has to be increased in the interest of the national economy as well as in their mutual interests. The main point in dispute is just distribution. Co-determination in Germany has played a major role in ensuring equitable distribution. However, in India the workers fear that by increasing the profit they are not likely to be benefited and, therefore, they are not motivated to increase productivity. Participation can help in removing such a misunderstanding and also assure equitable distribution.

STATE INFLUENCE ON INDIAN ENTREPRENEURS

Workers’ participation in management is not a German or Western invention. In all the countries, including India, trade

about voluntary change in their outlook. Some outside force may be necessary to initiate changes. Even in countries like Germany opposition to Hitler’s regime was a factor which brought trade unions together and participative structures were given full support by the government in the shape of legislation in post-war Germany. In India too, the recent emergency had its lesson to trade unions to sink their differences and combine and strive for real participation of the workers. Government will have to take a leading role in bringing about such salutary changes through legislation.

Any institutional structure of workers’ participation in management must initially overcome some of the problems specified as under:

(a) Tackling multiplicity of trade unions and participation for the emergence of healthy trade union movement in the country;

(b) Education of workers and management to train them for participation in management;

(c) Attitudinal changes both in workers and management, to adopt participative style of management;

(d) Complete sharing of information by the companies with the employees;

(e) Development of appropriate trade union leadership;

(f) Institutional structure of settling any differences and disputes in a just manner without affecting productivity;

(g) Prevention of workers’ exploitation;

(h) Reduction of workers’ alienation from trade union as well as enterprises.

Lessons from European and Indian Experiences

From the experience of the various models of workers’ participation, especially in Britain, Germany, Yugoslavia and India, one can derive conclusions which may help in effectively
level problems like workers' education, welfare facilities like housing, hospitals, holiday homes etc. They may have to concentrate on new issues like the movement for workers' ownership of the enterprise as in Germany. If the trade unions do not change their objectives, then there could be a real danger of trade unions fighting for their own sake and not for the sake of working class, whose interest they are expected to espouse. This could be damaging to the long-term interests of workers as well as the nation as has been happening in Britain.

(f) Strong and effective trade union is desirable for the success of participative bodies. Politicisation and multiplicity of trade unions are not conducive to workers participation in management. Until this cohesion is achieved, it may be desirable to have direct participation of the workers through their own fellow workers at the plant rather than the trade unions, which may bring in their external politics to the participative bodies sowing seeds of their failure.

(g) Workers' education and training are necessary ancillaries for the effective working of participative management. Trade unions and the government can play a major role in organising and conducting such training programmes.

(h) Mere consultation of the workers by the management will not succeed unless the workers are sure that they can really influence the management policies affecting them directly. Workers are not interested in discussing only peripheral issues which are of minor consequence to them. Management should be prepared to discuss in the participative bodies all the issues including wages with the workers.

(i) Collective bargaining cannot be a substitute for workers' participation in management. Real participation brings both the parties together and results in developing appropriate understanding, establishing responsible and mature relationship. On the other hand, collective bargaining process is based on power struggle and may end up with mistrust, non-sharing of information and use of pressure tactics. If collective bargaining is considered as a form of partici-
(n) There could be possibility of the major portion of resources of the enterprises being diverted to workers without much consideration for further investment. This may happen especially in public enterprises. It may be desirable to reserve certain percentage of the resources for reinvestment either through mutual agreement or through government legislation. If this is not done, it may result in the enterprise becoming sick with decline in employment, reduced production and inflation.

(o) There may not be any direct relationship between productivity and participative management. If the objective of participation is to increase productivity, participation may not succeed. One can always get increased productivity through autocratic style of leadership. What participation can achieve is the prevention of exploitation, reduction of alienation, positive ways of settling conflicts and making both the parties more responsible. This may help in creating a healthy industrial relations climate, having some long-term indirect impact on productivity.

AN ALTERNATIVE MODEL

Considering various issues and special features and problems of India, I present a comprehensive alternative model for workers' participation in management (see chart).

WORKERS' COUNCILS IN EACH ENTERPRISE

It is suggested that a workers' Council may be established in each plant. It should be similar to German or Yugoslavian pattern but different so far as its constitution and functions are concerned. It will be exclusively an elected body of workers without any external leadership. The number of Workers' Council members would vary depending upon the strength of the employees in an enterprise. There could be one Workers' Council member for every 100 or 200 employees or even less. It should also represent the various levels of Alternative model for India,
employees like the blue collar, the white collar and the supervisory staff. The members of the Workers’ Councils would be elected by the workers for a term of three to four years.

There would be an executive committee of the Workers’ Council, consisting of 4 to 10 members, depending upon the size of the company. The members of the Executive Committee will be elected by the Workers’ Council and will manage day-to-day affairs of the Council and periodically report to the General Body of the Workers’ Councils. The members of the Workers’ Council shall be legally protected against dismissal or discharge so long as they hold office. Some Executive Committee members of the Workers’ Council, especially the President and Vice-President, shall have to be released from their normal duties or discharge their responsibilities to the Council. The Council should be legally prohibited from declaring strikes or any form of industrial action.

**Functions of Councils**

The Workers’ Council shall represent exclusively the interests of the employees of the enterprise. Initially the Council may be given extensive rights of co-decision and participation with the management only in social matters. So far as economic and personal matters are concerned, the Councils shall have only the right of consultation and eliciting information.

**Social Matters**: The social matters in which the Workers’ Councils shall be consulted for its prior approval before implementation would be - The functioning of the work rules like working hours, distribution for working time, shift system; Manner of payment of wages; Establishment of general principles for grant of annual and other holidays; Safety measures; Form, content and administration of various welfare schemes; Allocation of housing; Incentive schemes; Administration of suggestion schemes; and any other matter mutually agreed upon by the employers and the Workers’ Councils.

**Personnel and Staff Matters**: In staff matters, the Workers’ Council shall have right of advance consultation and seeking all information from the management. However, it will have no right
only a decision with a brief statement giving reasons as it cannot be expected to give a detailed exposition. Its decisions will not be a part of the case law or constitute as precedents to be cited in future. The objective is to solve day-to-day problems and not to establish case laws.

Initially, only social matters have been made subjects of complete and equal participation, but as the Workers’ Councils acquire acumen and workers got trained to share more responsibility then some of the personnel as well as economic matters could become subjects of equal participation and co-decision without merely remaining consultative or informative issue.

**Board of Directors:** In the board of directors, it is suggested that two-thirds of the members should be shareholders’ representatives or government representatives, in the case of nationalised sector, while the remaining one-third should be the employees’ representatives. The employees’ representatives may comprise at least one from the blue collar workers, one from white collar employees and one from executives. The workers’ representatives will be proposed by the Workers’ Council and elected by the total body of employees. There will be one additional trade union representative provided the trade union has two-thirds of the employees of the enterprise as its members. Such a trade union will nominate its representative on the Board in consultation with the Workers’ Council of the enterprise.

Initially, only minority participation of the workers and the employees has been suggested at the board level. Their main role will be that of a watch dog of the workers’ interests. Though they can make suggestions which can increase the efficiency of the enterprise they should ensure that all the aspects of employees’ interests are duly considered while policy decisions are being taken at the board level. Normally, the chairman of the Workers’ Council should automatically be made one of the employees’ representatives on the board.

**Special Committees of the Workers’ Councils:** The Workers’ Councils will also constitute some special Committees to deal with specific matters. These could be in the form of a financial and economic committee, a personnel committee, a welfare com-
to work in close liaison with the Workers Councils to get their support. It will be worthwhile having legislation which bars the persons from holding the duality of trade union office and political office. Workers Councils will also help developing second or third line of leadership among the workers which is at present lacking in the trade unions.

Emergence of Workers specialists: The constitution of special committees within workers council will help in developing a special cadre of employees who can be trained in particular areas so that they become well informed and competently participate in decision-making with the management.

Increased efficience and development of responsible Leadership: The sharing of information on all matters with the employees will make workers as well as management reciprocally responsible to the enterprise. Workers can know the causes of any wasteful expenditure and question management. Indirectly, it will be a good training ground for the workers to be more responsible restrained in their demands as there will no longer be any secret information with the management.

Check on abuse of managerial powers: Instances are not lacking where the management indulged in various malpractices and manipulation of accounts. Sharing of information with the Workers' Councils could be a check on such abuses, ultimately resulting in efficiency in the long run.

Reduction of alienation, better sense of belonging resulting in Industrial Peace: Since the workers will have a say in day-to-day matters affecting them, they will develop a greater sense of belonging among them. Workers' council is expected to be consulted on all the major decisions well in advance, which will soften industrial relations and bring about peace in industry.

Genuine Sense of Participation: It will also inculcate a genuine sense of participation in all matters which affect the workers instead of a superficial crust of participation that they have been having through joint management councils and committees of merely advisory character.
workers’ welfare. They will continue to represent macrolevel and collective interest of the working class as a whole at national as well as Board Level. They will also try to gradually promote workers participation in management in all the matters affecting workers including economic matters, credit policy, education, etc. In addition, protection of minority interests and promotion of welfare schemes will be their major responsibility. So far as wage negotiations are concerned, they will remain with the trade unions provided they can get the support of the enterprise workers and this will make them work harder to win over the working class.

Another major role trade union could play is to educate and guide the members of workers’ councils so that they can play much more meaningful role in the participative management. With the changing environment, this education process will be a continuous one carrying out for a trade union a permanent and important role to play in this sphere. The trade unions may help themselves with aid from the government and academic institutions and organise training programmes for various levels of workers. The government has to give the financial support for such activities depending upon the interest workers evince in their own education; even some cess could be levied on the organisation to support educational activities of the workers, workers’ council members and the trade unions.

National and Regional Institutes

It has been emphasised that training has to play an important role for effective working of the participative machinery. It is proposed that a separate training institution for participative management could be created having regional office in all the state and local levels, wherever necessary. This local institution should be an autonomous body and be supported with the funds based on the cess to be levied in all the larger enterprises. It is important that these institutes are managed by professional academics, educationists or managers having industrial background. Such a position should not be given to bureaucrats who are normally transferred from one department to another having very little commitment to such a cause.