

## An Analysis in Regard to Peaceful Industrial Relations

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### 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 cannot 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 psychological 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. Moreover, India which has launched a vast programmes of industrialization, 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 after the constitutional Amendment the Central Government expressed its intention to amend the 1975 scheme and to provide for effective participation of workers in production processes and accordingly amended the scheme in January 1977.

The Second Five Year Plan in India considered that increased association of labour with management would help towards the successful implementation of various plan projects and, therefore, recommended the provision of councils of fragment consisting of management, technicians and workers in large establishment in organized industries.

The Third Five Year Plan recommended the setting up of JMCs in all industrial undertakings found suitable for the purpose, so that, in due course, the scheme might become a normal feature of the industrial system. The essential features of the scheme for Joint Management Councils in India have been: (i) The Council has been entitled to be consulted on certain specified matters; (ii) In some others, the management has been expected to share information with the Council; and (iii) In a set of functions, administrative responsibilities have to be given to it. As regards the functions of the Councils.

### Workers participation in management

The methods or forms of workers' participation in management vary from dusty. to Industry and country to country depending upon the system of the economy, the style to management, the subjects or areas in which participation may be sought and the pattern of labour-management relations. The various methods in which workers may participate in management are joint consultation, collective bargaining, joint decision-making and information sharing. Workers' participation in management has been considered by ILO primarily in connection with consultation and cooperation between employers and workers at the level oi' the undertaking. The most common method of workers' participation in management viewed as a system of Labour Management Consult.

Participation and co-operation is through special bodies variously denominated as joint production committee works committees, works councils, management councils, etc. Another method is through workers' representation in the directorate or board of management of the enterprise. In Great Britain, Sweden, Poland, etc., there is joint consultation model of participation, the management

taking the final decisions but allowing the representatives of workers to express their views before a decision is arrived at. Joint consultative Committees are the means used for the purpose. In the United States, the form of workers' participation is that of union management co-operation which operates through collective bargaining agreements. The 'to-determination Scheme' in the coal mining and steel industries In West Germany and the 'Joint management Plan' In Israel approximate to the joint decision making model of participative management, the means used are 'co-determination committees' and 'works councils'. In France and Belgium, joint works councils' for participation have been set-up according to statutory provisions. Yugoslavia (before Its break-up) provide the example of 'Workers' Control Model' where State Industrial units were run by the employees themselves under a scheme called 'Self-Management or Auto Management Scheme' which operated with the help of an elected council and management board. It has, however, been pointed out that isolated Instances of every model may be found in every country.'<sup>6</sup> In India, the form of participation is one of "co-operative or joint management. Entailing a tempering of managerial power but not altering basically the social system of productive Industrial relations."

Broadly speaking, schemes of workers' participation In management are based on mutual agreements between employers and workers In certain countries and on legal sanction in others. The scope of the schemes, voluntary or statutory, as indicated earlier, varies from country to country and even from establishment to establishment. While consultation is the foundation of most schemes, direct participation or control by workers is not general and Is sometimes even rejected by workers themselves.

#### **Orientation outlook and labour management**

For the proper functioning the steps would be (1) There should be adequate delegation of powers to the joint committees within the framework set out at different levels failing which their functioning would not be effective and the decisions arrived at will not find implementation. The decisions may be subjected to review at a higher level, If necessary, only in exceptional circumstances. (ii) It is necessary to bring about an<sup>1</sup> orientation of outlook of both labour and management in order to make participation elective and purposeful A systemic educational programme campaign would be necessary for workers as well as middle and higher levels of management. (iii) as regards the manner of representation of workers on these committees, in units having only One union or a recognized union, the representatives should be nominated by the union and further that they should be from within the enterprise and out of those directly involved in the process of production. In units having a multiplicity of unions, the senior most experienced and efficient workers should be nominated.

#### **Central Government policy at the enterprise level**

It has been the policy of the Government of India that the enterprise level workers participation in management should become an integral part of the industrial relations system of the country. The two voluntary schemes of workers' participation in management (viz, the scheme introduced in the year 1975) covering industrial enterprise in private, public and cooperative sectors including departmentally run units in manufacturing and mining Industries and the other schemes Introduced in 1977 in commercial and service organizations have been reviewed from time to time. In the light of such reviews taken and experience gained so far, the Government introduced a new comprehensive scheme of workers' participation in the central public sector undertakings in December, 1983. The scheme envisages workers' participation in management at the shop-floor and the plant-level at all the central public undertakings. The scheme also provides for participation at

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<sup>1</sup>Pylee, M.V.: Workers Participation in Management : Myth and Reality, 1975

the level of Board of Directors in selected central public sector undertakings. The scheme has also been recommended to the State Government for introduction to the State public sector undertakings. The private sector undertakings are to be advised to adopt the scheme.

It cannot be denied that cooperation between labour and management become effective only if the parties are genuinely believe in trust and recognition. Faith in the bonfires of the other party is the sine qua non of effective cooperation. If there is a lurking suspicion in he of either party that the approach of the other is only a ruse to extract compromises in its own interests, all attempts at co-operation must fail. Similarly, there must be implicit trust in the information supplied by one party or in the promises made by the other. Finally, there must be full recognition of the rights and claims of both the parties.

### **Duty based consciousness**

Workers should no doubt be conscious of their own rights hut emphasis must also be laid on the responsibilities and duties which partnership in industry entails. Besides, Workers' participation cannot he effective unless the state of labour-management c-B- Lions in the establishment is healthy and there is inadequate machinery for collective bargaining. The success of both participation and collective bargaining depends on the existence of a strong and united trade union movement of workers. If this essential pre-requisite is wanting. All talk of participation sod the like will have little meaning. Thus, It is only when trade unions have of unity and self-reliance that they can become effective whether it for u collective ham-gaining or for participation. Further, if labour is anxious to take an intelligent and effective part in management, an essential prerequisite is the acquisition of the necessary technical and expert knowledge required for the purpose labour will, no doubt, have to engage experts, but that will suffice. The ranks of labour must themselves throw up a number of knowledge able persons who will form the backbone of any scheme of participation. Hence the seed for intensive as well as specialized education of workers is very great.

Obviously, therefore, the scheme of workers participation in management is not a plan of action to be considered in isolation. Workers will have to be educated to have adequate knowledge about production planning and increased productivity. This naturally calls for a complete re-orientation of the Workers' Education Scheme in force. The employers on their part must be willing to part with vital information pertaining to their concern so as to take the workers in the new roles which the workers and employers are expected to play are certainly challenging but not beyond achievement. Hasty and premature attempts to impose the scheme of workers participation as such may lead confusion. We should first carefully prepare the ground before launching upon the scheme with pace so that real success may be achieved without any apprehension or difficulty.

### **Conclusion**

The relative success as regard the industrial growth and harmony particular needs to be given effect are:-

1. Workers' participation has suffered largely at the hands of employers who felt, and probably still feel, that such a move will take away from them their right to manage- To some extent this is supported by large scale Government interference, Issuing decrees, enticing acts, and formulating legislative bodies. Voluntary implementation of the concept of participation by employers has been rare, except may be in Sweden where the concept of workers' participation has been relatively successful. Because of this attitude of employers, information sharing has not been liberal. Workers' representatives have often not been informed about manpower and production schedules, creating an attitude of indifference and even hostility among the representatives.

2. Many studies have pointed out the role conflict the most of the representatives have faced in mixed boards and committees. The conflicts arose because very often representatives were forced to adopt the company view on some matter that contrasted with the wider Interest of workers. This not only created a conflict of Interest among these representatives but very often generated a crisis of confidence among electors.
3. Unlike the stated aims of participation, in most cases, Joint boards, councils, etc. find themselves dealing with personnel and welfare matter rather than with production and efficiency. This, to a large extent has been responsible for the dissatisfaction of employers whose concerns rest relatively more with production and efficiency.
4. In some cases, studies have found very little evidence of active communication and feedback between the electors and their representatives. Lack blame can be assigned to the representatives themselves ill-equipped to judge what should be communicated and partly to the multiplicity of unions, especially In the Indian context.
5. Finally, it has been found the level at which workers' participation is operationalized influences its success or failure. For examples the democratic sharing of power at lower grades of industrial workers has been found to be effective because it furthers the ends of both employers and employees. While applying the aforementioned factors to judge the success or failure in industrial democracy, it should be remembered that each country and each organization has a unique culture of its own. Self-determination, so much valued by Americans, is not shared by workers in South America. In some ways, Germans cohere in groups only if they are led by a leader, while the informal group is the norm in USA Thus there seems to be no reason to expect that the consequences of participation will be universal, although cross cultural work is scarce.

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