

WORKER RATES & WAGES MANAGEMENT

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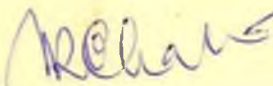
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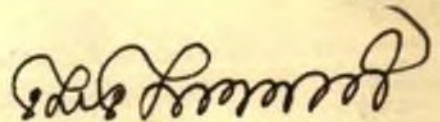
1983

DECLARATION

This thesis entitled "WORKERS' PARTICIPATION IN MANAGEMENT" is based on my original research work carried out by me at the Faculty of Management Studies, University of Delhi, Delhi-110007. My indebtedness to other works/publications has been duly acknowledged at the relevant places in the thesis. The results of the investigations included in this thesis have not been submitted for the award of any other degree or diploma.



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PREFACE

The concept of workers' participation in management as one of the forms of industrial democracy has evolved out of the recognition of the fact that workers are also human beings, that they are not machines, that they have the capability to contribute to productivity and that on their willing cooperation, satisfaction and morale depends the productivity and smooth running of the enterprise. The days of serfdom are gone. Those who spend one-third of their working life in an organisation which provides their livelihood should have a say in the government of its affairs. Out of this context many countries with different types of political and economic systems, such as, liberal-pluralist systems (e.g., Germany, France), democratic-socialist systems (e.g., Sweden), authoritarian-corporatist systems (e.g. Peru) and bureaucratic-centralist systems (e.g., Yugoslavia) have been experimenting with some kind of participative schemes with mixed successes and failures, the main objective being directed to increasing the productivity through acceleration of workers' job satisfaction by means of involving workers in the managerial decision-making.

In Bangladesh several attempts have been made through legislation to introduce joint consultation-type participation schemes but all are in vain. The failures are attributed, in the main, to the non-enforcement of laws, illiteracy of workers and apathy of management. No empirical research has been carried out to find out the real reasons. In the present study an attempt has been made to elicit the attitudes of the actors in the industrial relations system, i.e., workers, management and government, towards workers' participation in management as a whole and to make an objective analysis of the same. It is, in fact,

an attitudinal study in a large nationalised industrial enterprise in Bangladesh. The study covered the period from Jan.1981 to December, 1982. The data were collected during the period of civil government.

Acknowledgements are always difficult; for one owes so much to so many. My debts are due to many for the successful completion of this study. Dr. N.R. Chatterjee, Professor in the Faculty of Management Studies, University of Delhi, is the one to whom my gritudes are the greatest. It is he who not only supervised my work but also encouraged and inspired me to complete it within the shortest possible time. His sincere, friendly and mature guidance was an important asset during my two years' stay in Delhi University. I would fail my duty if I do not acknowledge the ungrudging help and cooperation that I received from Dr. C.P. Thakur, Professor of Management Studies, Delhi University and Dr. N.R. Sheth, Professor in the Indian Institute of Management, Ahmedabad. I have also got immense help in my research work from Dr. A.H.M. Habibur Rahman, Dean, Faculty of Commerce, Dacca University, Dr. Durgadas Bhattacharjee, Chairman Department of Management, Dacca University, Mr. Mohammad Ali Mian, Associate Professor of Management, Dacca University and Dr. Muzaffer Ahmad, Professor and Director, Institute of Business Administration, Dacca University. I am grateful to all of them. Dr. Rahman, in fact, created the stimulus in me to pursue a research study on participation when I was working in Dacca University.

My thanks are also due to Mr. Monwar Hossain, M.Com. Examinee of Jagannath University College, Dacca and Mr. Bhupesh Wasnick, a Ph.D. Scholar in Psychology, Delhi University who were of much help to me in collection and processing of data. I am also thankful to the authority of Bangladesh Jute Mills Corporation, especially, Mr. Rafiqul Islam and Mr. Khalilur Rahman, Deputy Secretary, for their assistance in conducting the research in the mill concerned. I would also like to record my thanks to the Ministry of Education, Government of India for providing me financial assistance to carry out this research work. Last but not the least, my thanks are due to Mr. Madan Sachdeva for his nice typing of the thesis.

Delhi
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(Md. Abdul Mannan)

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ABSTRACT

The study was undertaken in a large nationalised industrial enterprise producing jute products in Bangladesh with the main purpose of assessing the attitudes of the principal actors in the industrial relations system towards workers' participation in management, major emphasis being placed on the demand for participation among employees, both managerial and non-managerial. A fully-structured questionnaire study of the attitudes of 108 workers, 60 management personnel and 13 government officials revealed the following major findings. First, although the actors think that certain common objectives of the organisation can be achieved through participation, management personnel like to have workers' participation in decision-making through joint consultation as against the views of the other two actors who want real sharing of power through involving workers in decisions as real members of management. Second, the actors favour statutory participation compared with voluntary participation and support the inclusion of a participation-clause in the national constitution save the management personnel who largely oppose it. Third, the most preferred form of participation is joint-committee type participation through workers' representatives and the least preferred form is the directoral level participation. Fourth, the desired organisational climate augurs well for the introduction of participation as opposed to existing climate which does not seem to^{be} conducive for participative styles of management. Fifth, whilst workers experience little participation they express strong desires to be involved in all levels of decision-making. Sixth, irrespec-

tive of the nature of decision involved, workers prefer joint decision-making. Finally, all the actors identify a number of prerequisites that, they feel, should be fulfilled for the introduction of any participative scheme.

The findings of the study and the review of the international experiences lead to the following conclusions:

- (i) Workers have strong desire for participation in decision-making process of the organisation. On the other hand, management personnel have shown, although they practise bureaucratic leadership in a non-participative industrial relations climate, the willingness to accept the workers' involvement in the decision-making except in the strategic top-level decision areas. The level of agreement both within and among these two partners in production suggests an orientation towards participation. Thus, there is considerable scope for increasing workers' influence in different organisational decisions. That it is the difference between the perceived and desired influence which is the best predictor of job dissatisfaction, suggests that may be it is the thwarting of the individual's basic need to participate that is responsible for the widespread dissatisfaction that is so often a consequence of failing to involve workers in decision-making, at least at the local and the medium levels. Participation must, to be successful, occur at a level and in decisions, where individuals are willing, feel the need, and are able to participate, only from such a foundation can participation at higher levels be successful.
- (ii) Increasing production, resolving industrial disputes, improving job satisfaction, reducing wastes, accidents

and work stoppages and improving team work have been mentioned to be the main objectives of participation by majority of the respondents. So important objectives of the organisation could be attained and organisation effectiveness could also be increased through successful introduction and implementation of participative management. Sincere and honest approach by different groups in this regard is, of course, essential.

(iii) Since board level participation was the form least preferred by all the actors in the industrial relations system, such kind of participation may not be much purposeful in our country at the present stage of development. Joint committees at different levels may serve as the main forum of institutional participative body. But the success of such joint bodies will depend upon sincerity of management with regard to consultation and the degree of give and take. There must be a more than mere unilateral consultation.

(iv) Workers' preference for joint decision-making in most of the decision-areas leads to the conclusion that workers want to have their say in managerial decisions through their representatives, not through direct involvement of themselves. This is probably because the workers are concerned much more with their living than with direct participation in the government of the enterprise. It is also implied that they do not like to be satisfied with mere information sharing, they want to go beyond that.

(v) Informal approaches to participation like job enlargement, job enrichment, individual counselling, group decision-making, etc. have to be given much importance in addition

to the formal approaches. This is needed to help change the management style of functioning. If the informal methods can help develop a culture for participative styles of management within an organisation, then people will develop faith in the system and formal representative participative forums can succeed inspite of different constraints.

(vi) Workers' participation in management should not be thought of as a substitute for collective bargaining. Participative forums should play a complimentary role to the process of bargaining. Participation and collective bargaining should not be merged together, rather the demarcation between the two must be clearly defined. Workers' participation has no genuine chance of success if it is continued in opposition to trade union movement.

(vii) Workers and management personnel are in favour of statutory participation. There is, thus, the scope for introducing participative schemes with legislative support. But caution should be taken to rule out coercive legislation. It is desirable to have enabling statutes or such kind of legislation as to promote the institutional preconditions for labour-management relations.

(viii) Workers viewed the government scheme of participation provided in the Industrial Relations (Amendment) Act, 1980 as politically motivated. This is because they have experienced in the past that laws were there for some sort of participation in the enterprises but they were never enforced by the government. Thus it is not unnatural for them to lose faith on any government scheme. Nevertheless, they believe that if properly

designed and implemented, the government's scheme of participation may have certain beneficial effects on the enterprise. The success, therefore, depends on the sincerity and drivenness of the government to materialise the words of laws, thereby acquiring the faith of the workers.

The overall conclusion drawn from this study is that there is considerable scope for introduction and development of appropriate workers' participation programmes in the public sector industries, especially jute industries, if certain preconditions for participation are met.

PART 1

BACKGROUND

CHAPTER ONE

INTRODUCTION

1.1. The Philosophy of Workers' Participation in Management

Labour is one of the most important factors of production. Land, capital and organisation - all are important but inspite of the combination of all these factors the wheels of an industry can not move without the help of labour. On their efficiency and wishes the industrial productivity depends mostly. There was a time when the workers were treated as machines. They worked in the industries without any right - political, economic not to speak of the collective bargaining right as understood today. But now this kind of attitude of the employers to the workers has been changed. That a worker is not just a feudal slave and that he has a human mind is now fully understood. A worker is not merely a means of production but is essentially a human being with a personality having a sense of responsibility towards his family, the industry and the nation.¹

A worker is a human resource. His know-how and ingenuity, properly utilized, may make a far greater difference to the success of the enterprise than any improvement in his physical effort, although of course his effort is not unimportant. Moreover, he achieves recognition and other important social and ego satisfaction from the utilization of his capacities (McGregor, 1960: 113-114).

A worker is a self-respecting human being. He wants to satisfy his feelings, emotions and aspirations through the instrumentality of work. He spends a major part of his life in the factory, i.e. in the work place. It is at the working place that people spend one-third of their waking life. So it is quite natural for him to expect to participate in the affairs of the government of industry. Thus the concept of workers' participation

their role in this development - growth of industrialisation, the division of labour, the need for capital investment, the growth of an industrialist dynamic elite, unionism and resultant influence of labour in politics. There is an increasing demand from people in the organisation to have a say in what goes in and around. It is becoming difficult in the complex organisational setting to restrict and reserve decision-making power to a privileged few. Industrial unions have also shown an increased interest in moving beyond the traditional limits of collective bargaining to issues associated with worker participation (Hunnius et. al., 1973). They argue that workers have a right to have a say in the management of their enterprise irrespective of ownership because such right stems from the very fact that a worker works in the enterprise. In a democratic society workers have the right to participate in the organisations that employ them (Mintzberg, 1979: 203-204). Employees who invest their lives in a company, as opposed to shareholders who invest their capital, have a right to influence decisions. A worker invests his labour and ties his fate to his place of work and thus he has a legitimate claim to have a share in influencing various aspects of company policy. Management is also told that involve your employees and they will produce more (e.g., Likert, (1961)).

It is interesting to note that the role of the worker in the organisation, especially his capacity to take part in decisions which affects him directly has become a matter of increasing discussion and debate in intellectual circles. There is the realization of the fact that it is

in the decisions within undertakings has evolved.

Before the advent of industrialisation the major decisions affecting the workers were made by the religious leaders or the nobility. With the coming of the industrialisation, decisions were made by the owners of capital, who regarded workers one of the means of production. For various socio-economic-political reasons it was deemed necessary and desirable to introduce a degree of industrial democracy, involving the labour force in the decisions affecting conditions of work, methods of production, and, ultimately, financial and investment decisions.

A cordial relationship between the labour and the management is sine-quo-non for industrial peace and productivity. With the recognition of this bare truth the participative management schemes have widely been practised in many European countries for a long time. The needs for effective participation are many and varied. Experience and research indicate that there is a growing concern for democratic values being extended to work life.² This is also reflected in the constant push from the employees for greater involvement in decision-making and thereby derive more satisfaction from work. Managers tend to work hard when they have feeling that they are implementing their own ideas and decisions. If we want the lower echelons to work hard, we will have to provide them with the same type of motivation, namely, an opportunity to participate and to get a feeling that they are making decisions in a real manner.

The roots of modern cry for participation are deep in history. We have come a long way from master-servant relationship to the present stage in participation. Many factors have played

their role in this development - growth of industrialisation, the division of labour, the need for capital investment, the growth of an industrialist dynamic elite, unionism and resultant influence of labour in politics. There is an increasing demand from people in the organisation to have a say in what goes in and around. It is becoming difficult in the complex organisational setting to restrict and reserve decision-making power to a privileged few. Industrial unions have also shown an increased interest in moving beyond the traditional limits of collective bargaining to issues associated with worker participation (Hunnius et. al., 1973). They argue that workers have a right to have a say in the management of their enterprise irrespective of ownership because such right stems from the very fact that a worker works in the enterprise. In a democratic society workers have the right to participate in the organisations that employ them (Mintzberg, 1979: 203-204). Employees who invest their lives in a company, as opposed to shareholders who invest their capital, have a right to influence decisions. A worker invests his labour and ties his fate to his place of work and thus he has a legitimate claim to have a share in influencing various aspects of company policy. Management is also told that involve your employees and they will produce more (e.g., Likert, (1961)).

It is interesting to note that the role of the worker in the organisation, especially his capacity to take part in decisions which affects him directly has become a matter of increasing discussion and debate in intellectual circles. There is the realization of the fact that it is

difficult to conceive of an organisation without workers at this juncture of man's history, although it may be possible to conceptualize in terms of workers alone without traditional management worker system on one hand and management proprietor on the other. The organisation/management theorists in their writings may have touched on the role of the worker in the organisation but his central role has been viewed as an "economic animal", an interchangeable part of an organisation. Moderately, from the so-called industrial humanists' perspective, the same worker has been viewed as a being with emotions and to be handled delicately and "manipulated" by management. More recently he has been looked at and understood as an independent, intelligent individual and "one of us". Some have advocated that the worker should have an opportunity to participate in those affairs of organisation that have a direct and/or even indirect bearing in his well-being one way or another. The only way for the workers to have a real say is to secure adequate representation in the management bodies.³

The demand from the employees for real participation in the decisions which affect them is on increase. In the industrial sphere, with every passing day new experiments are tried and carried on to give workers more scope, power and authority to make decisions. On the practical, empirical level it is obvious that we are experiencing both widespread alienation from and resentment of the roles we occupy as workers, and a widespread, but poorly understood, attempt to deal with that alienation through increased participation (here implying something more than membership) for workers. Empirical evidence for these statements is almost ubiquitous.⁴

The major purpose of the use of participation is to encourage the growth of subordinates and their ability to accept responsibility. "Participation which grows out of the assumptions of Theory Y offers substantial opportunities for ego satisfaction for the subordinate and can thus affect motivation toward organisational objectives. It is an aid to achieving integration. In the first place, the subordinate can discover the satisfaction that comes from tackling problems and finding successful solutions for them. This is by no means a minor form of satisfaction. Beyond this there is a greater sense of independence and of achieving some control over one's destiny. Finally, there are the satisfactions that come by way of recognition from peers and superiors for having made a worthwhile contribution to the solution of an organisational problem. Used widely and with understanding it is a natural concomitant of management by integration and self-control" (McGregor, 1960: 130-131).

The great benefit of participation is that it restores to people at work their birth-right to be contributing members of the groups in which they work. It builds human values at work is important for society as well as employees, because there is evidence that job experiences do affect the psychological functioning of people as citizens (Kohn and Schooler, 1973: 97-118). As one authority puts it, participative management is more likely to produce high levels of satisfaction and motivation than an authoritarian management (Lawler, 1974: 27). Since participation has an excellent potential for building team-spirit the democratic managers may use it to

improve the subordinates' performance. When participation is well done, two of its best results are acceptance of change and a favourable team-spirit.

The debate about the institution of worker participation is by now so well established that its proponents and critics have come to occupy well-defined positions quite isolated from each other. The proponents of workers' participation usually greet it with uncritical optimism - it cannot, after all, be a bad thing for workers to participate, no matter how small their part may be; and participation can be regarded as part of a trend towards more democratic relationships in industry.⁵ Its critics, on the other hand, have pointed out that participation is invariably a state or business initiative rather than originating with workers or trade unions, and it has mostly been introduced in order to "buy off" at a cheap price or radical upsurge in the working class.⁶

The benefit that is gained from workers' participation even in the present time with so many constraints in most cases outweighs all the arguments against it, put together. For this reason, workers' participation is now recognised as a movement which is rapidly spreading all over the world. Workers' participation is no longer a question of "whether or not", but a question of "how". In a democratic society it is not sufficient if democratic pattern exists in political life but are excluded from economic life. If democracy is desired in political administration, why should it stop at the gate of the industry? To ensure that this does not happen, workers' participation in management becomes a necessity.⁷

1.2. Conceptual Framework for Analysis

In this study our purpose is to analyse and discuss workers' participation in management within the undertaking. It is, therefore, important at the outset to define and discuss the framework of analysis that will be used in the study. Since the terms associated with participation pose problems of definition and concept, it has, therefore, been deemed necessary to make clear how the author of the present study understands the basic elements connected with the participation of workers in management.

Concept of Worker

The term 'worker' may have different meanings depending on the context in which it is used. Traditionally this term denotes blue-collar employees (i.e. industrial wage-earners) as contrasted with the white-collar employees (i.e. salaried persons). The meaning of the term may also differ from country to country. For example, in Yugoslavia the term 'worker' means not only a physical worker but it also includes everybody who earns his living by work.⁸ The term is, however, obviously vague. Careful practice describes those who work for hourly, piece-rate, or incentive wages as wage earners or hourly-rated employees. In distinction, those who are paid by the month and have a tacit guarantee of steady employment are described as salaried employees, some of whom are supervisory employees and foremen (Yoder, 1959:7).

In the context of this study 'worker' will be understood as describing an employee who is either a blue-collar worker or a white-collar worker but who does not have

executive authority in the specific organisational context.

The problem of directors and managers in this context is specific because of the situation which exists in Bangladesh. It would be better to exclude them from participation in management because of the specific role they are now to play. One more reason for this is that they have this right through the very nature of their positions.⁹

Concept of Management

The concept of management gives rise to difficulties as does the concept of worker in terms of role and authority. Difficulty arises from the fact that management is at the same time a decision-making activity, a system of authority and an elite group with particular social attributes (Clarke et. al., 1972:4).¹⁰ The term management is vague and elusive. It is very difficult to define. Some people think of it as 'what a manager does', some as 'getting things done through others', while some others define it as 'the process of managing, the combined human ability involved in managing and the personnel required to manage' (Mhetras, 1966). But these definitions do not throw sufficient light on the management scene as a whole.

The prime responsibility of management lies in achieving the common objectives of the organisation for which it is to coordinate and direct the people in a way so as to enlist their willing cooperation, thereby maintain the social system of the organisation in a state of equilibrium. For the purpose of our study we regard management primarily as a decision-making process through which the objectives of the organisation and the methods of achieving their attainment are decided. We also draw a distinction between 'management' and 'managements'.

The former refers to the process of planning, directing and coordinating activities, particularly economic activities and the latter refers to certain individuals employed by owners to direct the activities of particular undertakings. They include the board of directors, chairman/managing director, managers, supervisors and foremen.

Concept of Participation

The concept of 'participation' is a relatively new phenomenon in the history of industrial relations in Bangladesh. The term participation has often been misused. Douglas McGregor (1960: 126-130) realised full well the difficulty of defining the term participation. He conceded to the fact that participation is one of the most misunderstood ideas that has emerged from the field of human relations, and then goes on saying that participation "consists basically in creating opportunities under suitable condition for people to influence decisions affecting them. That influence can vary from a little to a lot - (participation) is a special case of delegation in which the subordinate gains a greater control, greater freedom of choice with respect to his responsibilities. The term participation is usually applied to the subordinates' greater influence over matters within superior's responsibilities". Here McGregor seems to represent the traditional view of superior-subordinate relationship with which we do not agree. Participation has been defined in a different manner by Mason Hare (1964: 79): "Participation has the unique characteristic of giving a person a chance to be part of the final process and a chance to expound and develop as a participant as well as providing an opportunity to contribute to the final outcome."

Davis (1977) defined participation as mental and emotional involvement of persons in group situations that encourage them to contribute to group goals and share responsibility for them. There are three important ideas in this definition: (a) mental and emotional involvement because through participation an individual becomes ego-involved rather than becoming task-involved (see Allport, 1945: 122); (b) motivation of an individual to contribute by releasing his own resources of initiative and creativity towards the objectives of the organisation; and (c) acceptance of responsibility by a person in his group's activities.

The term 'workers' participation' does not have the same meaning in everyone's mind. It constitutes different things to different people, not only ideologically but also in fact.¹¹ Some use this term as workers representatives on the supervisory board, while others use it referring only to works council or any other specific arrangement (I.L.O., 1976, p. 63). In industrial relations, participation means at least two different things: first, participation is thought of primarily in terms of informal interaction, chiefly as a managerial style; and secondly, participation tends to mean workers' participation in management, usually in the form of formal mechanisms which permit representatives of workers to influence or even control organisational decisions (Strauss and Rosenstein, 1970). Worker participation has also been defined as organised "non-doing" activity or, more specifically, as "managing" activity carried on by blue-collar workers in conjunction with management (Rosenberg and Rosenstein, 1980). Here 'non-doing' activity

has been distinguished from 'doing' activity referring the latter to purposeful mental, physical or machine activity applied to the object produced by such activity, and 'managing' activity includes planning, organising, motivating and controlling (Cf. Walker, 1970). Clarke, Fatchett and Roberts (1972) viewed participation as including any process whereby workers, whether as individual or through a union or other organisation, have a share in the reaching of managerial decisions in enterprises (p. 6). Participation thus refers to a process through which workers share in decision making that extends from and beyond the decisions that are implicit in the specific content of the jobs they do. It refers to the involvement of employees in the decision-making processes which traditionally have been the responsibility and prerogative of managers. The same view as that of Clarke et. al. (1972) has also been offered by the International Institute for Labour Studies which describes participation as any process whereby workers have a share in the reaching of managerial decisions in the enterprise (see Butteriss, 1971, p. 6), as well as by Sawtell (1968) who define it as any or all of the processes by which employees rather than managers contribute positively towards the reaching of managerial decisions which affect their work (p. 1).

Renowned theorists like Rensis Likert (1961: 243) McGregor (1960: 126-127) and Tannenbaum & Schmidt (1958) attempt to integrate three elements, considered to be central to the concept of participation, namely, influence, interaction and information sharing, into a single 'continuum'.

According to Likert, the lowest level of participation occurs where employees are given no information about current situation or proposed changes. Towards the middle of the scale are the situations where employees are given full explanation for any proposed change and at the same time their ideas and suggestions are sought generally. The two highest levels are where 'subordinates and leader tackle the problem as a group and after consideration and discussion decide upon a solution but leader holds right to veto power', and 'Leader and subordinates acting as a group tackle the problem and solve it, using the best available methods of group functioning'. Similarly, McGregor envisages the maximum participation occurring where the manager is indifferent to several alternatives and allows workers to choose among them. Both Likert & McGregor stop short of the logically possible extension of their continua where workers would exert a greater influence over decision-making than do their managers. Using the above mentioned elements, Wall & Lischeron (1977: 36-41) describes participation as "influence in decision-making exerted through a process of interaction between workers and managers and based upon information sharing". According to their view, the degree to which influence is exerted determines the degree of participation which occurs given that such influence is exerted through a process of interaction and information sharing and is not solely dependent upon coercive power.

Some authors use 'influence' (French, Israel and Aas, 1965; Tanic, 1969) or 'control' and 'decision-making' (e.g. Guest and Fatchett, 1974: 9-12; Blumberg, 1968: 71; Tannenbaum, 1966: 85) as defining characteristic of participation. Guest and Fatchett use the term 'participation' as

referring to "those processes whereby subordinates are able to display an upward exertion of control". A subordinate is, according to them, one who do not have recognised authority in any particular relationship. Blumberg writes, "what I am primarily concerned with is decision-making by the workers..... I should like to include the entire spectrum of workers' power from its most rudimentary form (receiving information from management) down to its opposite, complete worker determination". Thus Blumberg incorporates the full range of influence in his description of participation.

Tannenbaum (1966) views it as "formal involvement of members in the exercise of control, usually through decision making in group meetings. Here control is defined as "any process through which a person or a group of persons determines what another person or group of persons will do" (P. 84). This definition has been further classified by Pateman (1970:68) in the following words: "This definition makes clear that participation must be participation in something, in this case participation in decision-making".

Guest and Fatchett argue that a definition of participation which emphasizes control is most useful in any attempt to study participation objectively. They have adopted slightly the definition of control suggested by Tannenbaum. Tannenbaum refers to determining the behaviour of other people; in the field of worker participation in management this must, according to Guest and Fatchett, be extended to include decisions which determine the behaviour of oneself.

Participation has not only been viewed as 'sharing by workers in the consequences of the decision-making' (Bass & Rosenstein, 1978) but it has also been referred to as 'procedural orientation' (Fox, 1971: 9). These definitions concentrate on the procedural aspects of participation. However, the institutional structure within which the process occurs could not be ignored. Nevertheless, the core concept of participation lies in the kind of inter-personal relationships that come to characterize participative organisations. Structure gives form and shape to changed relationships. But structure should not get ahead of the new expectations, raising them to levels that cannot be fulfilled; nor should it strangle new relationships (Hebden & Shaw, 1977).

For the purpose of our study, we would like to mean by participation a process whereby the workers, individually or through representatives, and management exert equal influence over decision-making within the undertaking and, based upon information sharing, attempt to reach agreement by working together rather than through utilization of coercive power. Here we are emphasizing on decision-making processes within an organisation and does not extend to decision-making operating outside the organisation. Again, we do emphasize on formal schemes through which workers' representatives participate in decisions beyond those normally subject to collective bargaining. However, the terms "workers' participation in management", "worker participation", "participative management", "industrial democracy" or simply "participation" would be used in this study interchangeably to mean the same thing.

The Actors in the Industrial Relations System

An organisation is a common platform for certain groups to achieve certain common objectives. With a view to achieving these objectives a number of actors in every industrial relations system maintain mutual relationships among themselves. Thus, the very existence of every industrial relations system, whether participative one or otherwise, depends on the readiness of certain actors to make an effort to cooperate for the purpose of achieving their common objectives. Dunlop (1958) identified three types of actors in an industrial relations system. They are: (a) the hierarchy of workers, (b) the hierarchy of employers and (c) special government agencies that deal with labour problems. Thus we find that workers, employers (and/or management) and government are the principal actors in any industrial relations system. In the case of public sector enterprises, however, the government is also the employer. So in such cases, we may consider 'management' of the enterprise as employer, it being the 'representative' of the government.

1.3. Objectives of Workers' Participation

The objectives to be achieved from the participative machinery in an enterprise determine the scope and extent of workers' participation. The major objectives of workers' participation are:

- (1) To improve the quality of working life by allowing the workers greater influence and involvement in work and the satisfactions obtained from work.

- (2) To secure the mutual cooperation of employees and employers in achieving industrial peace, greater efficiency and productivity in the interest of the enterprise, the workers, the consumers and the nation.

These two purposes are complementary and both are equally important.

The objectives outlined above are general. The objectives of participation may, however, differ from country to country, from society to society and even within the same country or society, from industry to industry. The objectives of participation may also vary depending on the ownership of the undertakings. It is, therefore, necessary to recognise these differences in objectives. For the private ownership, participation is part of the administrative process and the objective is to contain friction for better response to challenges and opportunities facing an enterprise. In the case of social ownership, participation is a part of a conscious socio-political process to achieve a desired social change beyond the objectives of the participation as an administrative device. The others fall in between depending on the nature of the regime. This logically connotes difference in the practice of workers' participation in management. On the objectives of the parties involved in the enterprise management depends the success or failure of any system of participative management. It is difficult for any institutional participative machinery to succeed in the long run in the absence of at least some unity regarding the objectives of participation among the parties.

1.4. Approaches to Workers' Participation

Workers may participate in the managerial decision-making process directly or indirectly. The participative process whereby employees are involved in decisions relating to their immediate tasks or environment are known as direct forms of participation. Direct participation or bottom-up approach, may take many forms, from improving the quality of the job itself to sharing the financial rewards of increased productivity. It includes job enlargement,¹² job enrichment,¹³ management by objectives, team building and profit sharing. These bottom-up approaches embody the goal of providing the worker with managerial values through participation in operational decisions, communications or benefits. Experience shows that for the great majority of employees, this is what they are most interested and regard as important (Bell, 1979: 5). Indeed, without direct participation giving the individual a greater personal satisfaction in his own job, participation at other levels is unlikely to be successful. Industrial experiments in the United States, the United Kingdom and India have shown that the democratic sharing of managerial power at this level can be stable and effective because it furthers the ends of both employees and management.¹⁴

Workers may also participate in management indirectly through their representatives or delegates on works councils or committees or supervisory boards. In this top-down approach the representatives of the workers, in an executive role, participate in decision-making in such areas as long-range planning. This participation involves the worker in actions and responsibilities traditionally reserved for the board of directors or

the chief executive officer or other top level managers. Approaches may also be formal or informal.¹⁵ The formal participation is institutionalized, i.e., formal participation has a formal institutional basis. The formal approaches may be independent of legal sanction or supported by legislation. Informal participation takes place at the instance of the owner, is related to operative decisions and generally takes the form of consultation. In formal versus informal participation, the basis of legitimation rests either in formal prescriptions and agreements which are imposed on the organisation, or in an informal consensus emerging among interdependent partners (Dachler and Wilpert, 1978).

In the approaches to participation we see two distinct major trends: one is structural and the other is behavioural. The structural approach is the formally organised industrial democracy, increasing the equalization of power by joint decision-making through direct or elected representation on participative bodies at various levels of managerial decision-making.¹⁶ The behavioural approach underlies face-to-face, informal sharing of decision-making at the workplace. It is 'shopfloor democracy'. The manager and his immediate subordinates interact, in an informal arrangement, with each other, in consensual decision-making with the manager about matters of consequence to all concerned. Arrangements can be institutionalised to some degree for participative management making use of such mechanisms as consultation on a regular basis with individual subordinates alone or in groups or formally delegating responsibilities to them (Strauss, 1963; Strauss and Rosenstein, 1970).

1.5. Areas of Participation

Workers' participation in management can be analysed in terms of areas covered, e.g., personnel, production, procurement, finance, marketing etc. The divergence of interests between employers and employees has been manifested historically in the area of personnel. Ownership structure of enterprise primarily determines the areas to be covered by a participative scheme. A private owner is guided by free enterprise conventions of the society and thus, he resists to go beyond the primary personnel matters. In a situation where ownership is coterminous with organisation (worker cooperatives) there participation is both an organisational necessity and an ownership right, and, therefore, the employees are in a position to discuss the various functional aspects of the enterprise. When the ownership is extended beyond the organisation, internal participative mechanism alone does not eliminate possibility of divergence of interest between owners and employees. State ownership carries the threat of control and imposition from above and so participation seems to get limited to personnel function only. In the case of social ownership participative forums tend to include all functional areas.

1.6. Levels of Participation

Participation may take place at policy level (or corporate level), administrative level (or plant and departmental level) and/or operative level (or shopfloor level). The levels of participation are again influenced by the nature of ownership. Private owners generally resent if extension of participation is proposed to cover the policy decisions. Participation at operative level is generally tolerated whereas in matters

of administrative decision, there seem to be divergence of attitude from resistance to ambivalence. In the case of worker co-operatives it sets no limit on the levels of participation. The policy decisions become the prerogative of the state if the enterprise is state owned. The administrative decisions seem to have overtone of control and guidance. Only in the case of operative decisions they demonstrate flexibility conducive to participation if permitted by the nature of the state policy. In the case of social ownership, policy decisions are subject to harmonization by an external body and actual participation extends to administrative and operative decision.

At the corporate level, long-range strategic policy decisions are taken. Here workers participate indirectly through electing or nominating worker-directors on corporate boards. At the plant and department level also the process of participation is indirect (works committees, joint labour-management consultative committees at department and plant level). At the shopfloor level workers may participate in the decisions relating to day-to-day operations directly through job enrichment, job enlargement, job rotation, job redesign or restructuring of work, semi-autonomous work groups, and so forth.

The participants from 51 countries (including Bangladesh) in the ILO-organised Symposium on "Workers' Participation in Decisions within Undertakings" held at Oslo in 1974 discussed at length to find out an answer to the question of whether workers' participation should start from above, i.e., at the level of governments, employers, and workers' organisations or whether it should start from below, i.e., the worker

at the shopfloor level. The symposium gave an answer to this question, which is that initiatives of workers' participation, to be successful, must come from all levels and from all sides, if possible simultaneously. The problem is to properly coordinate these various initiatives and merge them into a coherent whole.

The participative approach needs to pervade through the entire organisation. If it is confined only to workers, it will not have the desired effect. Unless the culture of participation gets accepted and practised at higher levels, the chances are that genuine participation will not be generated at the lower levels. Therefore, participation in the entire range of managerial action is desirable, though areas and degrees may vary considerably at different levels of management.

1.7. Forms of Participation

Participative schemes may range from the mere disclosure of information to the work force about decisions already made elsewhere to full worker control of the total management process. For convenience in our discussion we may group them into three major types:¹⁷ (i) peripheral, (ii) conciliatory, (iii) substantive and (iv) shopfloor participation.

(i) Peripheral Participation:

The most commonly known form of peripheral participation is joint consultation, where management makes the final decision but workers' representatives are permitted to be heard. This form of participation provides workers with a forum for discussion and exchange of ideas with management. This is the least formal concession that is

made in recognition of the importance of the role of workers in the production process. This is the model operating in Sweden, Britain, France, Germany (outside coal and steel), in Israeli joint production committees and plant councils. In Western Europe, such consultative bodies are generally called works councils (Strauss and Rosenstein, 1970). Legislation on works councils has been instituted in such countries as Finland, Indonesia, Spain, Sri Lanka and Zambia (ILO, 1976). Other legally enforced councils in, e.g., Belgium, France, Luxembourg and the Netherlands and joint committees (Carby-Hall, 1977). In other case they are voluntary bodies jointly composed of management and employee representatives for the purpose of consultation or negotiation (as in Britain, Ireland and Denmark).

(ii) Conciliatory Participation:

This refers to process of negotiation that management and workers, as opponents, undertake in respect of wages, working conditions and so forth from two ends of the spectrum with a hope to arrive at an agreed resolution of demands and offers. Conciliatory participation, popularly known as collective bargaining, is a form of 'disjunctive' participation, as opposed to 'integrative' participation, where workers form an organisation counter to that of management for the purpose of interacting with it from outside (Walker, 1970, 1974). The system of collective bargaining is theoretically based on the principle of balance of power. Both the parties bargain to

get the maximum advantage over the other party by using even pressure tactics. The element of power pervade the atmosphere in arriving at an agreement.¹⁸

(iii) Substantive Participation:

In case of substantive participation workers participate in policy and administrative matters as minority, equal or majority partner either as a group distinct from management (joint decision-making model) or as an integral part of management (workers' control model).

a) Joint decision-making: This institutional type is usually based on the premise of the potential unity of different class interests and hence almost inevitably involves exhortations for cooperation in furthering the firm's economic objectives (Poole, 1979). The workers may, by law or by voluntary agreement, elect representatives to the top level of management (board of directors); The worker representatives may participate in strategic policy making decisions, as well as in the administration and government of the enterprise in varying degrees. The codetermination programme in Germany and the Histadrut's Joint Management Plan in Israel are the examples of this model.

Illustrative of codetermination in the private sector is the West German System, which reflects an ideology where "accommodation and integration as well as order and authority occupy an important place" (Schregle, 1978). This type of participation is also in vogue in "Argentina, Egypt, Italy, Norway & Tanzania" (ILO, 1976).

b) Workers' Control: In this model final authority rests in the elected representatives of the work force. In theory, these representatives make policy and employ management to carry it out. The Yugoslav self-Management System offers the best example of this model. The essence of self-management is in "building a system of relationships in which the workers themselves, linked in the labour process, directly manage the means, conditions, and results of their labour and in doing so realize even greater control over the total social conditions of their existence in the narrower and broader community (Grozdanic, 1981: 4). The most profound contemporary meaning of self-management lies in the fact that it establishes the basis for overcoming social hierarchy and inequality, and consequently, for overcoming the political state, that is, alienating power alienated from man and society as the force and domination of the minority over the majority (Djordjevic, 1981).

The most important examples are the experiments in self-management in Yugoslavia, Peru and Algeria (ILO, 1976). The Yugoslav self-management is an example of a formally fully developed workers' control scheme developed within the framework of a developing socialist authoritarian system. The Yugoslav example of the development of workers' participation is relevant for developing countries which have gone through a socialist revolution and established state control over major means of production. For a substantial number of present-day developing countries, however, the path via a mass-based socialist

revolution becomes an increasingly unlikely one to follow as they reach middle level of economic development.

(iv) Shopfloor Participation:

Through setting up semi-autonomous work groups or special joint committees, the workers at the shopfloor level participate with members of management at the same level in the analysis of production problems and make suggestions for improvements in the methods of work or of working conditions and for the development of new job designs. The aim of participation at the shopfloor level is, among other, to counter a growing alienation of the employee through the use of job enrichment⁽¹⁹⁾ and other techniques.

Most important examples of shopfloor participation are 'quality of work-life' programmes in the U.S.A. and job enrichment programmes in Scandinavia, Britain and North America. In so far as these programmes combine shopfloor practices with formally constituted participative institutions, they serve as links between direct and indirect pattern of industrial democracy (Poole, 1979).

1.8. Factors Affecting Development of Workers'

Participation in the Asian Context

A number of factors (socio-economic, industrial, legal, political and cultural) may influence the development of workers' participation in one way or the other. A knowledge of these factors would be clearly helpful while considering the introduction of any participative scheme in any enterprise,

particularly, in the Asian region. The factors could be classified according to their attributes, as follows:20

a. socio-economic:

- need for economic growth which in turn would mean a balanced growth of all sectors (positive),
- pressures for equitable share in the fruits of growth (positive),
- concern regarding the investment climate (negative),
- concern over growing unemployment (negative),
- inflationary pressures caused by developments outside the country's control (negative), and
- relative lack of education (negative).

b. industrial:

- current level of industrialization, the hypothesis being that WF has better chance of success in a situation where secondary and tertiary sectors of the economy are more dominant as compared to the primary (negative);
- existence of a large unorganised industrial sector (negative);
- inter-union and intra-union rivalries and low level of loyalty of membership to the union (negative);

- lack of mutual trust between management and union (negative);
- influence of multinational companies (positive and negative depending on the notions which MNCs have about their operations);
- rising expectations of workers as recognised by management (positive); and
- felt need of consulting workers for introducing new technology and resulting redeployment of work force (positive).

c. legal:

- rigid notions about employer's prerogatives (negative); and
- British common law approach by the judiciary in deciding industrial matters/disputes (negative).

d. political:

- stability of political system (positive or negative);
- stage of development of the political system towards greater democracy (positive or negative);
- Government's (and society's) recognition of right to organise (positive);
- trade union links with political parties (positive or negative); and
- Government's recognition of equitable distribution of power/authority in spheres other than industrial (positive).

e. cultural:

- sense of national unity between employers and workers and among workers themselves (positive);
- changing attitudes to authority (positive and negative);
- increasing level of self assertion in the community (positive);
- developments in mass communication media (positive);
- existence of will in the parties for a change - working towards a "constituency for change" (positive); and
- undue haste and enthusiasm disproportionate to reasonably expected improvement in abilities (negative).

1.9. Promotional Efforts for Workers' Participation

Each country has its own unique features. A country's natural environment, historical background, socio-economic structure, political ideas and administrative set up, institutional framework, cultural pattern embodied in the people's ways of living, all these factors have peculiar bearing on its industrial relations system and so its experience would be something different from that of other countries. Thus, there can not be any precise model of workers' participation which can be imported for implantation by a country. Even there can not be a rigid model within a country. So each country/enterprise/unit should develop its indigenous model true to the concept that participation has to be "home-grown" (Wahnhoerner, 1980).

A determined promotional effort is needed even for this home-grown variety. To that end, a high level tripartite standing body may be constituted which can sponsor the appropriate programmes of investigation and promotional activities. Apart from the tripartite machinery the apex employers' and workers' organisations should have their own units which would have both promotional and monitoring functions.

Government has also an important role to play through proper legislation. While coercive legislation should be ruled out, it is desirable to have creation of institutional preconditions. The governments' efforts in promoting participatory programmes may assume three-fold character, viz., supportive, directive and legislative. Promotion of an idea like participation can best be achieved by a supportive effort but it will get a lesser degree of response from direction. A legislation of an idea has little meaning. A legislation may, perhaps, be the best effort at prescribing and regulating the 'procedures', but a mere support will not bring the desired results.

If a policy is adopted in support of workers' participation by government on the basis of the country's tripartite wisdom, the government should endeavour to demonstrate its earnestness by example, i.e., introducing participatory procedures in activities where it assumes the role of an employer. Encouragement should also be given to a selected number of companies to adopt participatory programmes which would help in gaining insights into the problems involved and their solution and help in improving the chances of other companies going on the right track.²¹

FOOTNOTES:

- 1 Somnath P. Dave, "Gandhiji's Concept of an Industrial Worker", The Indian Worker, 2 October, 1958, p. 7.
- 2 J.A. Panakal, M.J. Shaikhali & S.K. Warriar, "Training for Effective Participative Management", Indian Manager, Foundation for Management Education, University of Cochin, Vol. IX, No. 4, October 1978, p. 363.
- 3 G. Muhr (Vice-President of the German Trade Union Federation), "Power to the People"; quoted from Christer Asplund, Some Aspects of Worker Participation, p. 41.
- 4 E.F. Connerly, Participative Management and Industrial Democracy: Toward a Participative Theory of Organisation, Unpublished Doctoral Dissertation, USC, Jan. 1974, p. 14; quoted from M. Mohabbat Khan, "Worker Participation in the Decision Making Process", The Journal of Management Business and Economics, IBA, University of Dacca, Vol. 3, No. 3, July 1977, p. 111.
- 5 See, for example, M. Poole, Worker's Participation in Industry, Routledge, London, 1975; and C. Argyris, "Organisational Leadership and Participative Management", in Management of Human Resource, Addison Wesley, 1967.
- 6 In West Germany, for example, Works Councils appeared in the 1950s as an alternative to nationalisation of the steel industry, though they were also part of a more general concern relating to the formation of more powerful trade union movement after the World War II. And in Britain the Whitley Councils of the early 1920s were response to the post-World War I upsurge in working class militancy, which one writer has described as placing Britain "closer to revolution than at any other time in modern history" (Richard Hyman's introduction to C.L. Goodrich: The Frontier of Control, Pluto Press, London, 1975).
- 7 Emery and Thorsrud (1976) aptly remarked: "We cherish democracy in political elections, in organisational life, in social politics, in cultural politics and in economic politics. Why should democracy stop at the gate of the enterprise" (p. 9)?
- 8 A speech of Dr. Anton Bratusa, Deputy Prime Minister of Yugoslavia, on "Self-Management", delivered at the Dacca University on May 25, 1977. In fact, the word 'manager' does not exist per se in the Yugoslavian system of self-management (Virmani, 1980: 31).

- 9 Existing labour laws in Bangladesh exclude all the employees from chief executive of the enterprise down to the supervisors from the term 'worker'. Cf. Bangladesh Factories Act, 1965.
- 10 Harbison and Myers viewed management as an economic resource, an authority system and as an elite social grouping. See F. Harbison and C.A. Myers, Management in the Industrial World, McGraw-Hill, New York, 1959.
- 11 The difference of meaning of participation to different people has obviously to do with the characteristics of each society, the way of doing things, the overall societal relationships and the philosophical outlook of employees and of unions. These factors pose problems in making overall generalisations.
- 12 'Job enlargement' is the process of providing more variety in the number of tasks contained in a given job. Moving from the specific, individual job description to an enlarged responsibility for a wider scope of activities is the primary objective of job enlargement process.
- 13 'Job enrichment' refers to the strategies for enhancing the employees' personal identification with a job. This approach attempts to build employee motivation by loading a person's job with components of responsibility and autonomy so that the individual identifies with important managerial goals. For an analysis of the practicability of job enrichment and job enlargement and other bottom-up approaches see K.A. Kovach, B.F. Sands, Jr. and W.W. Brooks, "Management by Whom - Trends in Participative Management", Advanced Management Journal, 46(1), Winter 1981: 4-14.
- 14 Reviewed in F.E. Emery, "Democratization of the Workplace", Manpower and Applied Psychology, 1(3), 1967.
- 15 The distinction between 'formal' and 'informal' participation has also been made by Tannenbaum (1974) and Bass and Rosenstein (1978) and is similar to Walker's (1974) 'structure' and 'living' participation; French's (1964), 'objective' and 'psychological' and 'interpersonal' participation; and Emery and Thorsrud's (1969), 'real' and 'apparent' participation.
- 16 Joint consultation bodies, joint management boards and self-management are the major institutionalized arrangements of the industrial democracy model. Such mechanisms have been viewed as 'integrative' (as apposed to 'disjunctive') in that one formal structure is established for representatives of both management and workers. Collective bargaining is often regarded as a form of 'disjunctive' participation (See Bass and Rosenstein, 1978: 1-16).

- 17 Based on internal structural properties IDE (1976), ILO (1976), Sorge (1976) and Jain (1980) have classified different forms of participation into five categories: (1) workers' self-management, (2) participation of workers' representatives in management organ, (3) works councils and similar institutions, (4) participation through trade union action, and (5) participation at the shopfloor level. This is similar to our three-type classification. It has also resemblance to the classification made by Pateman (1970: 68-71) as (a) pseudo participation, (b) partial participation and (c) full participation.
- 18 There is some inherent conflict between collective bargaining and workers' participation. While collective bargaining is based on horse-trading, concealment of information, etc., participation is based on sharing of information, trust & absence of coercive methods.
- 19 According to Frederic Herzberg, job enrichment "seeks to improve both task efficiency and human satisfaction by means of building into people's job, quite specially greater scope for personal achievement and its recognition, more challenging and responsible work and more opportunity for individual advancement and growth". See his article "One more time: How do you motivate employees", Harvard Business Review, January-February, 1968.
- 20 These factors were brought out by the participants in the Seminar on "Industrial Democracy in Asia" held in Bangkok from 24-29 September, 1979 under the auspices of ILO. In this seminar reports on industrial democracy were presented from Australia, Bangladesh, India, Indonesia, Japan, Republic of Korea, Malayasia, Nepal, Newzealand, Pakistan, Phillipines, Singapore, Sri Lanka and Thailand.
- 21 Such recommendations have also been made by the ILO Seminar at Bangkok in 1979.

CHAPTER TWO

REVIEW OF RESEARCHES IN THE
FIELD OF
WORKERS PARTICIPATION

We are, in fact, presently in the midst of something of a renaissance of research on the various aspects of participation of workers in decisions within undertakings. Vast amount of literature is available and numerous studies are underway. Numerous field studies, experiments, case studies and surveys have been conducted in the organisational setting to understand the dynamics of participation. However, most of the studies have tried to determine the influence of workers' participation on performance in a one to one fashion. In the limited space allotted here it is not feasible to discuss all the studies on participation. In this chapter we shall try to focus on those studies only which have particular relevance to our present study.

F.W. Taylor was the first man to champion the recognition of the importance of human beings in managing an organisation. Taylor's monumental work on scientific management was the first explicit attempt at using in an organisation the knowledge that for increased productivity the employers need to make efforts to satisfy worker's needs. Taylor made certain simplistic assumptions about human behaviour and motivation especially that monetary rewards would increase productivity (Taylor, 1911). The fact that human behaviour is complex and that there is the need to go beyond the assumptions that economic or rational considerations are not sufficient in explaining human behaviour got recognition in the studies by Elton Mayo and his associates at Hawthorne (Mayo, 1941)¹. Non-monetary factors like supervisory attitude and behaviour, worker satisfaction, morale and group membership were shown to be important in these studies.

Beginning with Hawthorne the human relations tradition placed a high value on cooperation and partnership between employers and employees. This emphasis has been reinforced by the findings of the Michigan School, by persons like McGregor, by recent proponents of "open system organisation," and by advocates of T-Groups to develop a sense of openness, authenticity and trust. As a result of the efforts of the advocates of participative management - often known as intellectually objective social scientists - the ideology of participation is now well accepted by managers in most parts of the world (Haire et.al., 1966).

The importance of making fuller use of the latent potential of workers through management methods was stressed in the researches carried out by behavioural scientists like Likert (1961) and McGregor (1960). Their analyses were based on the assumption that the average worker is willing to accept responsibility and will respond to the opportunity of using his intellectual faculties in larger measure. Maslow (1970) and Herzberg (1966) also concluded that management efforts directed solely towards the improvement of physical conditions and human relations in the enterprise could do little to create positive satisfaction and commitment among workers, whereas the enrichment of task and the introduction of a more flexible organisation of work to give greater scope for initiative and self-fulfilment could be vastly more rewarding. The introduction of a more 'participative' management style and the improvement of job design are reported in several cases to have given good results in terms of worker attitudes and productivity (ILO, 1976: 25).

Two earliest studies in the area of workers' participation (Coch and French, 1947; Lewin, 1947) have successfully shown that changes in attitude and behaviour can more effectively be brought about through participation rather than by lecture or individual instructions. The study of Coch and French (1947) clearly showed that resistance to change could be overcome by getting the people involved in the process of change (pp. 223-250).

In a number of experiments Lewin and his co-workers (1951) have shown that production can be increased by creating a social situation in which workers are, in Allport's (1945) terms, 'participant in cooperative activity'. Participation in decision-making is generally viewed as an experience wherein attitudes favourable to change are taken by the workers. The group-determined decisions, according to Lewin (1951) provide the link between motivation and action. These findings are in accord with those from studies in the Harwood Manufacturing Corporation by a number of psychologists including Marrow (1948, '49), Lewin (1949), Bevelas (1948), French (1950) and Coch (1948). They have all concluded that employee participation in decision-making in democratic atmosphere created by permissive leadership facilitates the development of internalised motivation, serves to raise the level of employee production and morale. Marrow (1949) conclude from an experiment, undertaken with a view to examining the effects of group participation in setting production goals upon overcoming resistance to change and in arousing attitudes conducive to production standards, that the situation represented a deep-seated motivational problems reflecting

resistance to change which appears with particular strength in groups with a 'we' or 'ingroup' feeling antagonistic to management and which may find overt expression in resistance to change.

The results of the attitude survey conducted by Marrow, Bowers and Seashore (1967) in the Weldon Company, after the introduction of a kind of participative management, suggested stable but moderate changes, more positive view of the company, an awareness of the reduction in disruptive job changes, more satisfaction with compensation, more willingness to stay in the company and a general positive attitude. The studies of Morse and Reimer (1956: 120-129) and Lawrence (1969) also offer substantial degree of support to the concept that workers' participation in decision-making does bring about a change in attitude and behaviour. If the changes continue for longer period, research studies show, on the basis of a longitudinal comparison, 'significant reversal in intervening and output variables, suggesting thereby a curvilinear relationship between participation and measures of its effectiveness (Sinha, 1974: 179-187).

A number of studies have been undertaken bearing upon the relationship between participation and productivity. Studies by Katz and Kahn (1951), Kahn (1956), Katz, Maccoby and Morse (1950), Likert and Willits (1940), Bose (1957) and Ganguli (1957) have shown that employee-centred supervisors are higher producers than the job-centred supervisors. Kahn (1958), Katz and Kahn (1951), Mann and Dent (1954) have reported that employees who feel more to set their own work-pace prove to be more productive than those who lack the sense of freedom. Meltzer (1956) and Petz (1957) also obtained evidence that freedom under certain

conditions is associated with high performance by scientists. The results of studies by Coch and French (1948) showed that group goals can push production up or down. Similar comparable results were also obtained by Pepitone (1952) who found that both the quantity and quality of productivity correspond to the degree of responsibility felt to the group.

According to Brown and Everson (1950) participation will also be have 'considerable' benefit of a concrete character, reflected in the output and financial position of the enterprise (p. 77). Bevelas' experiment with sewing machine operators in the plant of Harwood as reported by French (1950) furnishes another evidence that participation in decision-making can help increase productivity. Maier (1952) conducted a study to find the effect of informal participation on a group of telephone repair workers and concluded that group participation in decision-making could improve the performance of the group. Experiment by Morse and Reimer (1956) has also established that productivity would increase with increased role of workers in decision-making. Espinosa and Zimbalist (1978) described the effect of participation on productivity in the following way: "Perhaps the single variable of greatest interest is changes in productivity. In 29 of the 34 sample firms, productivity either increased or stayed the same and in 14 firms it increased at a rate superior to 6% per year. Although it was not the only variable important in explaining increases in productivity, higher levels of participation were clearly correlated with greater increases in productivity"(p. 185).

A recent study by Rosenberg and Rosenstein (1980) showed the effects of a worker participation plan on productivity in unionized foundry. This study represents both a conceptual and a methodological departure from traditional worker participation research. The conceptual basis of this research does not focus either on individual attitudes or the motivating effect of psychological participation. In the study an index of participative activity, measuring factors such as the frequency of meetings, the relevance of the subjects discussed, and the number of interchanges in a meeting, was compared with an index of productivity through step-wise multiple regression and other techniques. The researchers concluded that an increase in the level of participative activity was associated with an increase in productivity and was more important in this respect than a group bonus plan tied to productivity.

Some studies, however, suggest that there is necessarily no correlation between productivity and participation (Virmani, 1978). Some of the evidence even contradicts the notion that a participative management style yields benefits to the organisation by creating more effective performance (Miner, 1973). French, Israel and Aas (1960) suggest that participation will only affect production, labour relations and job satisfaction to the extent that the following variables are present: (1) the decisions with which participation is concerned are important; (2) the content of the decisions is relevant; (3) the participation is seen as legitimate;² (4) there is no resistance to the methods of managing change. Vroom (1960)

also found that workers who felt that participation in decisions was legitimate responded significantly more favourably to the experience than the workers who considered that their participation was not legitimate. Espinosa and Zimbalist (1978) are also of the view that, when worker influence is limited to consultation or inconsequential issues participation will not be dynamic and self-sustaining (p. 181).

Employees seek satisfaction in various dimensions of their work related situation. Increased participation in decision-making leads to greater job satisfaction and work achievement (Patchen, 1970). But French et. al. (1960) reported little evidence of the relevance of participation to satisfaction generally. Most commentators have concluded that available evidence shows participation to be an important determinant of job satisfaction.³ Employees working under employee-oriented supervision reported greater satisfaction than those working under production-oriented supervision (Katz et. al., 1950; Jacobson, 1951; Morse, 1953; Mann and Dent, 1954; Katz, 1963). The degree of 'consideration'⁴ which characterizes the supervisors of employees has been found to relate positively to the employees' satisfaction (Halpin, 1957; Halpin and Winer, 1957; Seeman, 1957; Fleishman, et. al, 1955; Oaklander and Fleishman; 1964). Researches suggest that participation is a source of satisfaction only for those who are not strongly authoritarian and who have a strong need for independence, but not for those who are highly authoritarian and who have a low need for independence (Vroom, 1959). Studies by Tosi (1970) and White and Ruh (1973) indicate positive relationship between perceived participation

and satisfaction but in both the cases authoritarianism and need for independence did not moderate the relationship, as was the case with Vroom (1959). Experiments by Morse and Reimer (1956) demonstrated that work satisfaction can be increased if workers are given freedom to make decisions and take responsibility for a task. In the words of Katz (1954), worker satisfaction will increase to the extent that participation becomes a social reality rather than a slogan (p. 106). Wall and Lischeron (1977) concludes, on the basis of the correlational and experimental evidence currently available, that the importance of immediate participation as a determinant of satisfaction remains undermined (p. 28). They are also of the view that the available evidence regarding the relationship of 'distant' participation to satisfaction is unsatisfactory (p.34) and so needs more systematic investigation.

Although we apparently find a cry for participation of employees in decision-making from different quarters, there are still quite a few persons who do not believe that such participation is beneficial either for the organisation or for the employees themselves (see Haire et. al., 1966; Guest and Fatchet, 1974). They based their opposition on the ground that participation is not actually desired by most employees. Here we shall review some research studies dealing with the demand for participation by employees to find out how much participation is desired by them. A knowledge of the workers' demand for participation is important because, in the absence of clear evidence that majority of workers are strongly in favour of workers' participation in management the government is unlikely to pass legislation compelling firms to allow such participation and,

secondly, workers are likely to respond very favourably when given an opportunity to participate in managerial decision-making only if they really want to participate in such decision-making.

Investigations of worker attitudes towards participation in managerial decisions have been few and most of them have failed to yield consistent results. For instance, Tabb and Goldfarb's (1970) examination of the attitudes of workers in the Histadruth-owned sector of the Israeli economy indicates that majority of the workers are in favour of participation. Similar was the results obtained by Ghosh (1967) in Indian industries. He concluded that the workers do have a desire to participate in decision-making both at the shopfloor and plant level but they are not at all enthusiastic about the appointment of worker directors to the board level. Derber (1970), however, concluded, on the basis of a survey of attitudes in a number of countries including England, Israel, Australia and the U.S.A., that "in none of the countries was there much evidence of widespread or intense worker interest in participation in management decision-making" (p. 133). The results of the study by Aziz (1980) also indicate that workers show low preference to directoral level of participative management and a high preference for non-directoral form. Hespe and Little (1976), too, obtained results comparable to that of Derber (1970).

In contrast, on the basis of empirical evidence, Pateman (1970: 56) concluded that "there is at present a widespread desire among many different categories of workers for participation". This was also the main conclusion of the empirical studies by Lischeron and Wall (1976) among local

authority employees and by Ramsey (1976) among clerical workers. Orpen (1980) studied the attitudes of 87 black and 72 white employees working in six different South African commercial firms, following the model of Lischeron and Wall (1976), and found that both types of employees desire greater participation in managerial decision-making, particularly at the local and medium level. Holter's (1965) investigation into the attitudes of employees to the possibility of increased participation in company matters indicated that the desire for personal participation was directed towards increased participation in decisions regarding their own job and immediate work surroundings. Most respondents did not feel the need for greater personal involvement and control in decisions at the top management level. Holter's (1965) study shows a clear indication of needs and possibilities for increased participation on the part of employees, particularly in the sphere of their own daily work. This study seems to confirm that a very real problem of industrial democracy is what Emery and Thorstrud (1969: 86) called "the split at the bottom of the executive chain", which has plagued all attempts to create effective representational systems. Studies by Hespe and Warr (1971), Hespe and Little (1971), Hilgendorf and Irving (1970) showed that employees are definitely in favour of participation in the decisions affecting their day-to-day work and immediate work surroundings.

Although Katz (1954) found that slightly over half of the workers wanted to participate in decisions concerning how their jobs were to be carried out, Morse (1953) reported that seventy percent of the white-collar employees in an insurance company wanted to make more decisions on their jobs

than was then possible for them to do. Wall and Lischeron (1977) studied the attitudes of 118 British industrial workers and reported that the workers felt that they should be strongly involved in the decision-making processes that affect their work and livelihood. 'At the local and medium levels the majority of workers feel that it would be appropriate to participate to a degree which means that influence over decision-making is shared equally between themselves and management. Even at the distant level a substantial proportion of workers feel this to be a desirable degree of involvement' (Wall and Lischeron, 1977: 79).

Some studies have shown that participative schemes effective in a given situation may not necessarily be suitable for implantation in some other situations. Studies by Coch and French (1948), Lewin (1947), Lewin, Lippit and White (1960), Morse and Reimer (1956) suggest that involving employees in decision-making tends to be effective in the American society. But it does not mean that it would also be appropriate in other countries - the success of using participative management depends on the situation. This argument was illustrated clearly when French, Israel and Aas attempted to replicate the original Coch and French experiment in a Norwegian factory. In this setting they found no significant difference in productivity between work groups in which participative management was used and those in which it was not used. In other words, increased participation in decision-making did not have the same positive influence on factory workers in Norway as it did in America. Similar to Hersey's replication of one of Likert's studies in Nigeria,

this Norwegian study suggests that cultural differences in the followers and the situation may be important in determining the appropriate leadership style (Hersey and Blanchard, 1980).

Studies in Two Neighbouring Countries:

India and Bangladesh

So far we have ~~focused~~ upon the research studies carried out mostly in the Western industrialised economies. The remaining pages of this chapter would be devoted to an evaluation of the important studies conducted in India and Bangladesh. The purpose of such a separate review of researches deserves explanation. Bangladesh was until 1947 an integral part of British India. As a consequence, the development of any sphere is not only linked with past developments in undivided India but these developments in turn have been largely influenced by the socio-political developments and interactions in the British India. A separate discussion, therefore, of the researches on participation would, we hope, bring to light the position of these two culturally comparable countries in respect of industrial democracy.

Studies in India:

In one of the earliest studies in Indian setting, following the design used by Coch and French (1978), Bose (1957) found comparable results obtained by the former. In his experiment and research in Ahmedabad Textile Mills in India, Rice (1958) obtained substantial evidence of better results obtained when the work is organised by teams of workers and social organisations and the mill is built on a work-group basis. Chakrabarty (1962) maintains that usually matters relating to health, safety

and welfare are being discussed in the works committees. He observed that the joint consultation could be put to proper use if one was aware of its limitations and did not expect it to produce miracles. Pandit (1962) came to the conclusion that the experiment (JMC) did not serve any felt need on either side in the industrial establishments. She contended that the details regarding the size, structure, decision-making etc. were irrelevant as long as the groups involved in the experiment lacked the spirit of cooperation.

Das (1964) stressed the lack of interest shown by employers and workers and the atmosphere of fear and suspicion pervading industrial relations in the country. He concluded that the socio-economic circumstances in India today are not conducive to the development of workers' participation. Mhetras (1966) made a study of the Joint Management Councils in 13 undertakings (a thorough investigation in five units), both in private and public sectors, spreading over eight States of India, with respect to their evolution, structure, organisation, functions and achievements. An effort has also been made to evaluate the Indian experiment in worker participation in terms of attitude - reflections of labour, management, government and the community. His major findings were as follows:

- (a) Neither was labour production and productivity conscious nor was management adequately welfare-oriented.
- (b) The workers are normally reluctant to shoulder the implied responsibility of participating in the managerial action; on the other hand management equally hesitates to share with workers its

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right to manage the affairs of industry.

- (c) Management, in general, do not show a live interest in disseminating all necessary information to the councillors. Labour representatives do not appear to be much interested in securing information having no direct bearing on workers' living standard or relevance to their welfare.
- (d) Consultative and associative participation each occupied prominent place in the council's work. Administrative participation did not occupy any significant place in the total scheme. Similarly, in decisive participation both labour and management do not seem to come out in their true colours.
- (e) Managements were not particularly willing to provide labour greater scope for participation in the running of the undertakings beyond consultative and eventually associative levels of participation.
- (f) Smooth functioning of the councils had positive effect on the level of employment, production, rate of absenteeism and accidents. So long as the councils functioned satisfactorily in an enterprise, cordial relations existed between labour and management.

Mhetras concluded: "It is therefore better and desirable that we learn from the knowledge and experience accumulated within our own country and develop institutions suitable to India's native genius; that the institutions which are established for a given purpose elsewhere can not be copied easily;

nor can they be borrowed from other countries with advantage; for, borrowed institutions, like readymade clothes, may fit without alterations but not necessarily well" (p. 230). Mhetras' another important conclusion was that lack of clearcut distinction from other consultative bodies endangered the effectiveness of JMC, a finding subsequently supported by Sheth (1972).

As Mhetras (1966) suggested certain conditions for successful participative management, Subramaniam (1967) is also of the view that the creation of conditions favourable to the development of healthy unionism and uninhibited growth of collective bargaining will pave the way for participative practices.

The results of the attitude survey conducted by Ghosh (1967) showed that management felt that the scheme of participation would result in more production and better efficiency. The majority of the labour is of the opinion, according to Ghosh, that the working of the shop councils would not be effective unless accompanied by fair wages, decent working and living conditions. Ghosh also observed that the workers do not favour codetermination but they have a desire to participate in decision-making at the shopfloor and plant level. He also found that the workers are mainly interested in information-sharing and consultation. From this observation of Ghosh it appears that the workers are in the minimum range of the five-stage continuum⁵ developed by Mhetras (1966).

Tanic (1969) studied the problem of the possibility of workers' participation in management in India. He commented that the existing relationship among trade unions is such that it cannot develop any scheme for workers' participation in management. He observed that joint consultation bodies could

neither make any success nor promote the interests of employees. He concluded that the experiment of workers' participation India was not only at the lowest level of evolution but also that workers, unions, employers and state do not have any real interest in its success and that there existed a gulf between the proclaimed attitudes on participation and its real situation in the country.

It is generally held that the scheme of workers' participation in management would hardly find any favour from either of the partners. It is argued that management would not be willing to share its prerogatives with workers and workers also would not be interested in participation. The most representative of this view is that of Cole (1957). But in the Indian context, at least, these views do not have empirical support. Alexander (1972) asserts that the interests of both the activists and the rank-and-file workers to participate is very high. This was further corroborated by the study of Aziz (1980). Alexander (1972) also observed that the institutionalization of participative management might lead to better organisational health and effectiveness and participative management is better institutionalized in an organisation where the management was genuinely interested in participation process.

Sheth (1972) studied the functions performed by the Joint Management Councils in six industrial units and attitudes of management and workers towards the scheme. Most of the respondents in this survey showed positive attitudes towards the principle of joint consultation. They regarded it as a tool of better industrial relations. However, there were widespread reservations and dissatisfactions regarding the JMC machinery

existing in the various units. He found that the functioning of JMC had not been satisfactory mainly due to (a) overlapping of its functions with other joint committees, (b) its failure to meet the perceived needs of the concerned people at the level of the organisation. He observed that "outside pressures, whether in the form of law (as in the case of the Works Committee) or by persuasion (as in the case of the JMC) may not be congenial to the development of joint consultation" (p. 129).

Nanda (1973) examined the experiences of a union with the Works Committee in an enterprise where collective bargaining was in existence. He surveyed the functioning of the Works Committee over a period of 18 years (1953-1970). From the enterprise Works Committee experiences Nanda drew the following conclusions:

- (a) The Works Committee serves as a useful adjunct in establishing continuing bargaining relationship.
- (b) It provides an effective grievance-resolving machinery and thereby helps smooth work relationship.
- (c) Without encroaching upon each other's spheres of influence, rights, and prerogatives, both management and union use the Works Committee for exploring the areas of cooperation.
- (d) Under strained union-management relations the Works Committee gets bogged down.
- (e) Whenever a worker representative is the chairman of the Committee, the management adopts a negative attitude towards it.

The results of a study on Indian sample by Dadi (1974) suggest that the level of economic development negatively correlates with workforce participation rate, and age shows a curvilinear relationship with participation. On the other hand, a longitudinal comparison by Sinha (1974) pointed out a reversal in the participative management over a three-year period. The study showed a definite increase in input (physical, personnel facility and personnel competence), intervening (e.g., supportive relationship, goal setting, decision-making motivation) and output (quality and satisfaction) variables in the employees of a hospital after the introduction of a participative decision-making. However, a subsequent measure on the same variables after a period of three years revealed significant reversal in intervening and output variables, suggesting thereby a curvilinear relationship between participation and measures of its effectiveness.

Studies by Mehta (1976) on worker participation show that workers seek satisfaction in various dimensions of their work related situation, such as, influence in decisions, greater autonomy at work, friendly relationships with peers, respectful relationship with supervisors, trust and support from others in the work organisation and work amenities. Two other studies by Mehta (1977, 1977a) tend to suggest that employees with high personal achievement motivation supported by high influence or power motivation show a significant tendency toward authoritarian and non-participative tendencies, whereas employees with high motivation for social achievement and influence show the opposite tendency conducive to participation. Understanding motivational issues is therefore important for promotion of

effective workers' participation. These studies suggest the need for redesigning management practices as well as the need for educational programmes for appropriate motivation among the managerial employees as well as the workers.

De's (1977) case studies on participative redesigning of work systems conducted in three largest Indian organisations seem to have been beneficial for the organisation. Malavia (1977) conducted a study in two textile factories and concluded that perceptive participation is related to job satisfaction and job effectiveness irrespective of an individual's biodata and personality.

Bhatnagar (1977) undertook a study in a textile factory having traditional technology and a fertilizer factory with advanced technology to find out the extent to which employees want participation in different areas of managerial decision-making. The result obtained indicated that workers desired decreasing amount of participation from first to last decisional category (decisional areas were (a) work related decisions, (b) safety, (c) technical decisions, (d) personnel decisions, (e) welfare decisions, and (f) managerial decisions). Workers in technologically advanced factory demanded, she contended, greater participation than those in traditional or primitive technology. With respect to managerial decisions workers in both factories were not interested. These findings indicate that demand for different forms of participation varies from decision to decision and from organisation to organisation.

Aziz (1978) came out with the findings that union leaders have faith in participative management in principle. Using the control graph technique developed by Tannenbaum, another study

by Aziz (1980) pursues the hypothesis that participative management does not result in a "zero-sum-game" type of power distribution between managers and workers. He found that after the establishment of the shop and joint councils the total amount of power increased and that, although workers got more powers, the actual power had fallen short of what was ideally desired. In Aziz's (1980) study all the respondents appear to be sailing with the spirit of the time and accepting participative management as a sure means of ensuring democratization of decision-making. The worker leaders categorically stated that they were "interested in real participation in the sense that they should have substantial share in decision-making and administration" (p. 129).

In a very recent study Sahu (1981) found that workers have shown considerable interest to participate in the decision-making process of the organisation and the management personnel have also shown the willingness to accept the workers involvement in the decision-making except in distant level decision issue. He observed that in most of the organisations joint committees were not functioning satisfactorily. Reasons for failure were identified to be lack of real decision-making power of most of the joint committees, lack of proper information sharing, limited scope of the committees, no clear-cut relationship between the joint committees and collective bargaining, absence of well functioning grievance machinery, non-implementation of unanimous recommendations, lack of unanimity in selection of workers' representatives to the committees.

Studies in Bangladesh:

In Bangladesh a little research has been done on workers' participation in management. Although the Government has been and is still now interested in some sort of participation, basically joint consultation in the form of Works Councils or Works Committees, it failed to create enthusiasm or interest either among the partners of production or among any circle of the intelligentsia in the country. Due to lack of inspiration researchers probably did not pay any attention to this important aspect of industrial relations. Here we shall present the findings of some studies having direct or indirect bearing on the participation of workers in managerial decision-making.

Raza (1963) observed that the works committees, established in some industries in accordance with the provisions of Industrial Disputes Act, 1947, had not proved very successful. The main reason for the failure, he maintained, was that the laws provided a framework for such committees but could not provide the norm of social behaviour which were vital for the success of these committees.

Habibullah (1967) investigated into the effects of employee-centred supervision on productivity in the jute manufacturing industry of Bangladesh (formerly East Pakistan). His findings are quite revealing. His study indicated that both the supervisors and 'line sardars'⁶ are mostly 'Theory X' type. They believed, as Habibullah remarked, that workers are lazy and, therefore, have to be goaded with strong hand for getting things done by them. They also did not believe that the workers might be allowed to work out their own without detailed instruction and constant check.

Habibullah observed that the supervisor who subjected his group to greater degree of pressure did not appear to get higher production. He found that employee orientation renders high productivity only when it is integrated with production orientation. Habibullah's study also supported the hypothesis that work-group's productivity is related to group members' satisfaction with the company and that there is a positive correlation between productivity of a work group and its economic motivation. He maintained that once employed, workers show preference for a good boss who would hear their grievances sympathetically and who would treat them in a supportive manner.

Ahmed (1978) made a study of the scheme of participative management in the units under the control of Bangladesh Textile Mills Corporation. Of the 49 units only in five units some attempts were made to form shopfloor committees at the instance of an administrative order of the Corporation. In fifteen of the units there were factory level committees where the nature of the meetings held was generally consultative. Ahmed observed, "ten of the these fifteen managers agreed that the committee was able to create better atmosphere and understanding; eight of the fifteen labour officers thought that grievances were fewer and six of the fifteen administrative officers admitted improvement in work atmosphere. The trade union officials were not generally happy as they thought that management still dominated but twelve out of fifteen mill labour union officials agreed that they could now sit down with problems more easily even though they rarely found a solution of their liking. The general labour was neither enthusiastic nor antagonistic to the arrangement; while the staff unions were divided in middle more or less according to their political affiliation."(p. 131)

Examining the five units where shopfloor committees were constituted, Ahmed found that the production had shown remarkable improvement by as much as 20%. He, of course, conceded to the fact that such improvement could not solely be attributed to participation. He observed that the best and mentionable gain that need to be underscored is the pleasure of attainment that the workers shared and this was the best of all motivation. He observed that the decision-making process has a centripetal tendency often reaching the ministry concerned or beyond. Thus, though the broader social and political imperative is, he concluded, in favour of participation in management, the production relation and legal basis remain at a far distance creating both contradiction, confusion and barriers to progress. His opinion survey indicated the basic ignorance of all groups about participation and lack of proper reaction to the concept.

After making a detailed analysis of the various labour laws now in force in Bangladesh, Ahmad (1979) came to the conclusion that the whole procedural framework reflects a traditional approach towards labour management relations with particular reference to labour disputes and consists of nothing of relevance to workers' participation in management. He pointed out that whatever attempts were made in the field of worker participation in the past were merely ritual exercises aimed at minimising operational problems in the industrial enterprises with a particular eye on industrial peace.

Having examined the 47 meetings of the participative committees of three public sector manufacturing firms, Hannan (1979a) found that both the employee and management representatives on the committees showed sufficient interest in the

committees' work. The management failed to recognise the human element in production, while the workers not only talked on personnel and welfare problems, they also brought a large number of production problems before the committees for discussion. The workers could realize that if there was a low production the factory's resources would not be able to keep them in employment. Following the 'Mhetras Model' (1956) Mannan made an evaluation of the stages and extent of participation in the above-mentioned three units. An analysis of the available data showed that the management did not reflect a live interest in disseminating information to the committee and the workers did not seem to be interested in securing information having no direct bearing on their welfare or living standard. Associative participation was found to be most important of all the stages of participation, although consultative participation occupied a prominent place. The study indicated the management's willingness to associate the workers with the solution of the problems so long as they are concerned with welfare matters and amenities. None of the committees was found to be invested with any appreciable amount of decision-making power and most of the issues on which final decisions were taken related to relatively unimportant matters. An analysis of the issues (in terms of issues accepted, rejected, unresolved, discussed and intimated) also indicated the management's unwillingness to provide greater scope for participation by employees in managerial decision-making and goes only to the extent of consultation,

A case study in a cotton textile mill by Mannan (1979a) revealed that parity of representation was not followed in the participative committee and that the size of the committee was determined by the Sector Corporation - it was not dependent

upon the nature of the undertaking or the volume of employment. Workers were found to be much more enthusiastic in raising issues in the meetings but the overall spirit of the committee was not cooperative. The study revealed that the results of the committee were unsatisfactory which tantamounts to the failure of the participative scheme.

FOOTNOTES

- ¹ Blumberg looks at the researches in the Hawthorne Works from an entirely different angle compared with that of the human relations theorists. See Blumberg, Industrial Democracy. Constable, London, 1968.
- ² French defines legitimacy of participation as the extent to which 'it is considered right and proper by the parties involved'. Also see Ramesh Chandra Srivastava, An Investigation into the Faculty Participation of Institutions Offering Professional Courses of Study, unpublished doctoral dissertation, University of Delhi (Department of Education), 1980.
- ³ Reviewed by T.D. Wall and J.A. Lischeron, Worker Participation: A Critique of the Literature and Some Fresh Evidence, McGraw-Hill Book Company (UK) Ltd., London, 1977.
- ⁴ Fleishman and Harris (1962) define 'consideration' as "behaviour indicating mutual trust, respect and a certain warmth and rapport between the supervisor and his group..... This dimension appears to emphasize a deeper concern for group members' needs and includes such behaviour as allowing subordinates more participation in decision-making and encouraging two-way communication".
- ⁵ The five-stage continuum, as suggested by Mhetras, was. Informative, consultative, associative, administrative and decisive participation. They ranked from minimum to maximum degree of participation.
- ⁶ In the jute mills of Bangladesh, a 'line sardar' is a senior skilled worker who works on the machine as well as supervises a small number of unskilled and/or semi-skilled workers simultaneously. He remains accountable to the supervisor for his work.

CHAPTER THREE

CROSS-NATIONAL EXPERIENCES
IN
WORKERS PARTICIPATION

Workers' participation in management, inspite of its controversy and conflicts, is being increasingly adopted in different countries, both in capitalist and socialist blocks particularly in the European countries, and the Third World, as an ideal form of industrial democracy. Since the conclusion of the World War II, more appropriately in the fifties and sixties, various European countries have been experimenting in what may be called 'participative management'. During this period a jargon or slogan like "workers' participation in decision-making within undertakings" acquired great currency and popularity. These were also being championed by the International Labour Organisation.

Although the experiences of other countries, like that of, say, Yugoslavia, West Germany or Sweden, can be held up as examples of participation, this can hardly be the right frame of reference for our needs. Institutional arrangements or forms of worker participation developed in a foreign setting can not be transplanted easily in other country regardless of their potential advantages. Nevertheless, as business becomes more international, it is increasingly more important to understand that, each country has values, attitudes and assumptions of its own that go well beyond the technical and economic traits that tend to take the centre stage. A greater understanding of other work cultures can not but succeed in shedding new light on unrecognised assumptions, and can perhaps make us more open to new ideas.¹

This section is designed to provide a broad range, overall, cross-national survey of the existing systems where the industrial workers participate, in varying degrees, in the managerial decisions which directly or indirectly affect them. It deals mainly with how the concept of participative decision-making has worked in practice and the experiences gained. Our purpose is to explore how to benefit from the experiences, the successes and the failures of others. Any attempt to transplant in Bangladesh a part or the entirety of the system that has succeeded in some other country might prove difficult because of the complexities of industrial relations in Bangladesh in terms of social, economic and political backgrounds, however successful it might have proved in the other country.

3.1. Germany: The Codetermination Model

In order to fully understand the codetermination model of West Germany it is important to know the nature of the industrial relations system of the country. Unions in West Germany are organised at the industry level and represent all employees in an industrial branch. The main issues arising at the plant level are dealt with by negotiation between management and members of the works council. The works council represents all employees in a plant except for the executives. Therefore, at the plant level, the unions do not influence personnel management issues directly.

Labour-management relations are expressed at two different levels simultaneously: at the industry level, between employers' organisations and trade unions, and at the enterprise level, between employers and works councils. At the national level, the unions concentrate on influencing large-scale social and economic policies.

The right to bargain collectively is vested in the sixteen industrial unions federated in German Trade Union Federation (DGB) and the Federation of Salaried Employees (DAG), which plays a relatively minor role. On the management side it is the Confederation of German Employers Associations with its sectoral subdivisions that negotiates with the unions. Such negotiations usually take place at the industry level and result in master agreements on wages and other working conditions.

Collective Bargaining:

In Germany, collective bargaining usually takes place between DGB and BDA (employers' organisation). Collective agreements are registered with the Department of Labour and during the pendency of an agreement strikes and lockouts are illegal. Before calling a strike, seventy five percent of the members should sign a secret ballot and the executive committee of the trade union should approve it. The Labour Court also plays a central role in resolving disputes. Trade unions are more associated with constructive roles, including increasing productivity and maintaining industrial peace as well as collective bargaining and resolving industrial disputes, than with creating disputes and calling on strikes unlike in countries like Bangladesh.

Works Councils, Supervisory and Management Boards:

The origins of workers' participation in Germany can be seen as a result of a temporary impact of external forces on the internal constellation of socio-political forces. Co-determination was introduced during the period of Allied administration of Germany right after the World War II as a response

to pressures from organised labour. As a compromise solution that reflected more the conception of business than of labour, a scheme of codetermination was introduced in 1947 in the steel industries only, and in 1951 in coal and iron mining (Stephens, 1980: 48). This law was called the Codetermination Law of 1951.

Codetermination is employed in three stages, viz., (a) works councils, (b) workers' representatives on the Supervisory Boards of companies and (c) labour directors on their Management Boards. Works council constitutes the direct representation of the workers in the enterprise. The council's membership is divided between workers and white-collar employees on the basis of their numerical strength. The council is entitled to negotiate on wages and working conditions, on the plant rules, on the hiring and firing of groups, on cases of discrimination and on substantial changes in the plant (Sturmthal, 1964: 63). The council has a considerable amount of codetermination rights in respect of social and staff questions as well as organisation of jobs. At the same time, on financial economic matters, their rights are limited to information and consultation (Michael, 1979: 184).

A work council has to be set up in all undertakings normally employing at least five employees of over 18 years of age. It has to be elected directly every three years by secret ballot. It consists only of the employees' elected representatives. It is an independent unit. The employers and the works councils must work together within the framework of existing collective agreements and in conjunction with the trade unions and employers' association.

According to the provisions of the Act of 1951, all companies with more than 1,000 employees in the coal, iron and steel industries, having a specified amount of capital must have a supervisory board.²

The Codetermination Law of 1951 requires the following composition for a supervisory board of 11 members: (a) four stockholders' representatives and a "further member", (b) four employees' representatives and a "further member" and (c) a neutral member. The general meeting of stockholders can appoint four stockholders representatives without restriction and a "further member" with the restrictions that this person (i) must be independent of both employers' and employees' organisations, (ii) can not be an employee of the organisation and (iii) must not have a financial interest in the organisation. On the other hand, two of the workers' representatives must be workers nominated by the works council. The works council has to discuss its nominations with the appropriate unions which have veto power. The other three are nominated by the unions recognised by the company. The "further member", nominated by the unions, is subject to the same restrictions as the stockholders' "further member". The two sides elect the eleventh member, who is an independent. In respect of the nomination of the eleventh member, one restriction is that at least three members of the stockholders' representatives must favour the nomination. If no agreement can be reached, the court appoints him.

The Law of 1951 also calls for a labour director on the management board, to be appointed by the supervisory board. But the labour director can not be appointed without the consent of

of the majority of the workers' representatives on the supervisory board. The labour director is in charge of all labour and personnel matters, and also participates on an equal footing in all policy decisions made by the management board.

The Codetermination Law was amended in 1956 but this amendment affected only three companies (coal, iron and steel) and resulted only in minor changes. The major changes for these companies were that the supervisory board must consist of 15 members and the labour director must be elected by a majority vote of the total supervisory board.

In 1952 the Works Constitution Act was promulgated which introduced a joint-consultation type of workers' participation in all enterprises with more than five workers through the creation of works councils (Stephens, 1980: 49).³ In this Act labour was again allowed to elect or designate workers' representatives to the supervisory board but the number of workers' representatives was limited to $\frac{1}{3}$ rd of the total number of seats on the supervisory board. The provision for a worker director on the management board was also omitted.

There are five major differences between the Codetermination Law of 1951 and the Works Constitution Act of 1952:

	Act of 1951	Act of 1952
1. Nature of representation in the supervisory board.	1. Parity representation in the supervisory board.	1. $\frac{1}{3}$ rd workers' representatives and $\frac{2}{3}$ rd stockholders' representatives.
2. Neutral member.	2. Required one neutral member.	2. No neutral member required.
3. Worker director in management board.	3. A worker director must be appointed.	3. No requirement for a worker director.
4. Power of unions in the selection of supervisory board members.	4. Unions have power to influence the selection process.	4. Workers elect all workers' representatives directly.
5. Scope.	5. Only iron, coal & steel industries are covered.	5. A large number of companies are covered.

The Codetermination Act of 1976 foresees for companies which employ more than 2,000 employees a quasi-parity representation for employees on the supervisory board. This law applies to all joint stock companies and companies with limited liability in general except (a) coal, iron and steel industries, (b) companies with less than 2,000 employees and (c) all political, religious, artistic, educational, and charitable organisations and news media.

The total number of members of supervisory board depends on the number of the employees of the organisation concerned. Below is given a graphical overview of the member and type of representatives on the supervisory board level, based on the Codetermination Act, 1976.

Total No. of Employees	Total No. of Supervisory Board Members	Total No. of Stockholders' Representatives	Union Representatives	Company Employees' Representatives
2,000 to 10,000	12	6	2	4
10,000 to 20,000	16	8	2	6
Over 20,000	20	10	3	7

In case of 12 and 16 members at least two members must be representatives of the trade union. In supervisory boards with 20 members, three members must be union representatives. In each case at least one blue-collar worker, one white-collar and one member of the supervisory personnel must be represented on the board. The nomination procedure for employees' representatives is as follows: The trade unions active in the company nominate two or three union leaders as employees' representatives for the supervisory board, and the other employees' representatives are nominated by the company employees. All employees' representatives whether nominated by the unions or employees, must be elected by the employees.

The supervisory board elects a chairman and a vice-chairman from its members by a two-third majority. A second election is called for if this majority is not reached. In such a situation the stockholders' representatives elect the chairman and the employees' representatives elect the vice-chairman. A simple majority of votes is then sufficient.

The supervisory board appoints the management board with two-third majority. If the majority is not reached, an arbitrary committee, composed of the chairman, vice-chairman and the employee representative and one shareholders' representative, will make a proposal to the supervisory board. The board then decides on the basis of a simple majority. If a need exists for a third election then the chairman has a tie-breaking vote.

The Act of 1976 also provides for the appointment of a labour director to the board of management. The labour director has equal voting rights to any other management board members.

Functions of Supervisory and Management Boards:

The supervisory board meets four or five times a year and oversees the activities of the company. Its main legal function is to appoint and control the management board. To look after the day-to-day operations of the company is the chief responsibility of the management board. The supervisory board has the right to inspect books, accounts and correspondences of the company as well as to ask management questions regarding the company's finances. Subject to the formal approval of the supervisory board, the management board usually makes the major policy decisions on such things as mergers, takeovers, closure of plants, increases of capital and overall manpower planning.

An Evaluation of the German Model:

In Germany, codetermination is viewed as a means of introducing democracy into industrial life, but, according to Hartmann, its relative success is due to the fortunate juxtaposition of several interests: managers saw it as a means of protecting their plants from Allied dismantling immediately after the war, unionists viewed it as a means of preventing the re-establishment of a management-controlled nationalist party, while Catholic liberals found it consistent with papal encyclicals (Strauss and Rosenstein, 1970: 199). DGB claims that codetermination system can be credited for the following achievements: it has improved communication within the enterprise, broken down the often oppressive anonymity of the administration process and made it apparent that the interests of the employees in all decisions are taken by management of the plant (Jain, 1980: 35).

Codetermination in Germany has favourably affected wage level. It has also been argued that codetermination has succeeded in bringing about more rational, objective and equitable systems of administration. But codetermination has been least effective in affecting working conditions at the shopfloor (Jain 1980). Improvement in the industrial climate has been reported due to the interests evinced by labour in the welfare of the enterprise through its participation on boards (Das, 1964: 75).

Employees' attitudes towards representation in the works councils are typically favourable (Wall and Lischeron, 1977). This is evidenced not only by the fact that between 50 and 90 per cent of workers express approval of works councils and believe them to be important to them individually but also that

upto 80% participate in council elections (Roberts, 1973).

Hartmann (1970: 137-147) discerns a positive attitude among the workers towards the total system of codetermination.

The investigating commission of the Bundestag reached the conclusion that boards with equal representation of employers and employees have discharged their control and consultative functions with less conflict and greater efficiency than boards on which the employers are under-represented (Almanasreh, 1977: 113). These investigations showed that the interest of the employees in the continued prosperity of the enterprise was never less than that of the shareholders or owners.

However, German type of representative integrative participation through works councils and workers' representatives on company boards has had practically no effect on the daily life of the worker on the job (Freidrich, 1969: 148). Thus, this type of participation does not serve the purpose of increasing workers' personal fulfilment in their daily work situations (Walker, 1974: 3-35).

Studies carried out to assess the effect of codetermination on the attitudes of workers have consistently found lack of information, disinterest or even cynicism. In general, the attitude toward codetermination has been found to be closely associated with the workers' relation to their union. Involvement in and satisfaction with union activities mostly carried with it the same attitude toward codetermination (Stephens, 1980: 51). These findings highlight the crucial role of unions for the development of any scheme of workers' participation.

Studies also indicate that parity representation in the supervisory board has not substantially increased the influence of the workers and employees on the affairs of their companies; it does not guarantee employment for the workers or bring them any other substantial advantages (Jain, 1980: 29). The findings of a study conducted by the confederation of German Employers' Associations showed that workers were not as satisfied with parity representation as had been anticipated. Based on his practical experience in the Federal Republic of Germany, Thusing (1973) concluded that "participation of workers is at best irrelevant to productivity; that the special form of equitable codetermination even has a negative effect on productivity" (p. 339). From the employers' side it is claimed that works constitution as one form of codetermination has proved to be "a very important, a very practical, a very much educating instrument" and that one-third codetermination according to the Works Constitution Act has brought a lot of more information to more employee representatives, has given a lot of opportunities of influencing important decisions on the boards (Ronnenberg, 1978). Trade unionists, on the other hand, are skeptical of the minority board representation. Their view is clear: (a) the inherent majority of two-third allows the shareholders to prevail in case of conflict; (b) the works councils' possibilities to influence personnel planning are still unsatisfactory; (c) the works councils can do nothing but to play the role of a "fire-brigade" in the field of economic affairs (Markman, 1978).

3.2. Yugoslavia: Workers' Self-Management Model

In the communist block participation programmes have thrived in Yugoslavia where they may be viewed as a means of legitimating a retreat from a centralized to a market economy, reflecting the intensions of the political leadership to centralize and liberalize economic life.

The Yugoslav self-management system is based on social ownership. This means that the capital assets are entrusted for direct management to the workers, but society as a whole has the legal right of ownership over the means of production. In Yugoslavia there is no employer-employee relationship. Every factory, industrial enterprise, banks, etc. is an association of labour (under the 1974 Yugoslav Constitution known as Basic Organisation of Associated Labour or BOAL⁵). A worker⁶ is not employed or engaged on a contract as happens elsewhere; he joins the association and takes up a job.

In the 1950s Yugoslavia embarked upon a transformation from a system approximating the bureaucratic-centralist type in a democratic socialist direction. Workers' participation originated as a response of the elite to a threat from external forces. Following the break between Tito and Stalin, Tito found it imperative to expound a new ideology seemingly different from the originally followed bureaucratic-centralist Soviet model. Accordingly, a doctrine of direct socialist democracy was developed, calling for the replacement of bureaucratic-centralist decision-making with direct participation of the population in the decision-making based on a system of self-managing political and economic units.⁷

Supreme decision-making authority within the enterprise was transferred in the early 1950's from party-appointed administrators of enterprise to workers' councils. The means of production were made available to the working collectives who were free to buy and sell in accordance with their needs and market conditions. Gradually State investment funds were abolished. With the increase in the workers' role in production the State withdrew in growing degree from the sphere of economic life. Rigid State production plans were replaced by independent plans drawn up by the enterprises themselves in response to market demand. The idea of wages and salaries for workers was replaced by the principle of remuneration based on performance (Blum, 1973).

Operation of the Self-Management System:

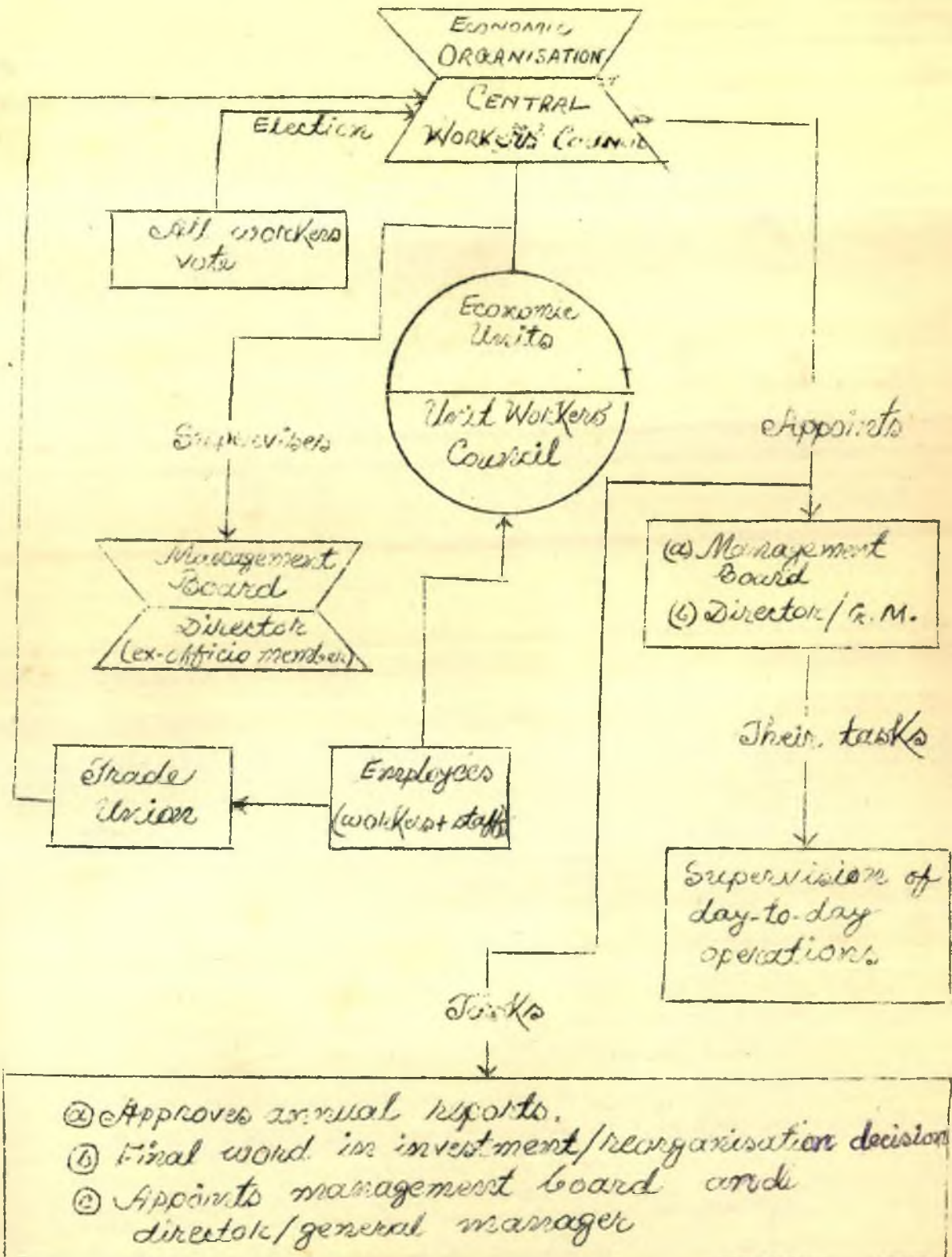
Under the self-management system, the total economic organisation is sub-divided in economic or work units of associated labour. The workers of each economic unit/work unit elect their units' workers' council. In the case of an economic organisation having several units, indirect management is carried out through the units' workers' council at the unit level and through a central workers' council at the organisation's policy formulating and decision-making level (Kuhne, 1980: 73-74).

The Central Workers' Council is the highest decision-making element in the organisation. It approves the organisation's annual report, has the final word in investment and reorganisation decisions and appoints the management board and a director. The latter two are responsible for the day-to-day operations of the organisation. The management is often elected from the ranks of the organisation's workers who have performed well in their field

of specialty (Carlson: 1973: 74-82). The units' workers' council is responsible for the supervision of the day-to-day operations of the economic or work unit and makes decisions concerning investments and reorganisation.

The workers' council is elected on a one-man-one-vote basis by secret ballot, for a period of two years. Depending on the size of the enterprise it consist of 15 to 120 members elected by all the work units. The tenure of office of the management board is one year and that of the director is four years. He is eligible to be re-elected. The management, executive organ of the workers' council; consist of a minimum of five members elected from among the members of the latter. The director is an ex-officio member of the management board. The workers' council has the power to remove an inefficient director.

FIGURE 3.2 % YUGOSLAV MODEL OF SELF-MANAGEMENT



An Evaluation of the Self-Management Model

Research studies (Kolaja, 1965) show that the Yugoslav experiment has not been all that successful. The workers' councils were found to participate actively when personnel matters were discussed but their participation was discouraging when technological developments as well as financial and marketing issues were discussed. Opinion polls revealed that workers were not satisfied with the execution of the self-management system. Results of opinion polls in 1971 pointed to a mood of bitter and resentful apprehension among the workers toward self-management. Workers in Yugoslavia are not against the self-management system as such, but they thought that much was wrong in the way it was practiced.

In survey studies investigating the perceived influence of different groups on decisions within the enterprise, the influence of unskilled workers was ranked lowest, and the one of the union second lowest (e.g., Rus, 1970: 148-160). These same studies also found a discrepancy between actual and desired distribution of influence.

Top and middle-level management play major role in the workers' councils' deliberations. This is supported by the studies of Obradovic (1975) and Adizes (1971). In an empirical study in 20 Yugoslavian workers' councils, Obradovic found that the top management played a major role in all stages of councils' deliberations, although this was less so at the decision-making stage than in explanations and discussions (p. 36-37). In general, top management participated most often, interacted most often and for the greater length of time, offered the most proposals, and had the most proposals accepted.

Rank-and-file workers also perceive power as being concentrated in top management. It is consistent with the findings of Obradovic's (1970) another study that rank-and-file workers who become council members are more alienated from their work than those who merely view its operations from afar; those who actually are present at the proceedings recognise how limited their real power is. Adizes (1971) observed, in his comparison of two Yugoslavian textile firms, that there was a general trend towards managerialism in Yugoslavian firms after the 1965 economic reforms. In one firm Adizes (1971) found that the decision-making was centred more and more in the hands of middle management and workers had less and less influence on decision-making, and attendance at workers' council meeting fell off.

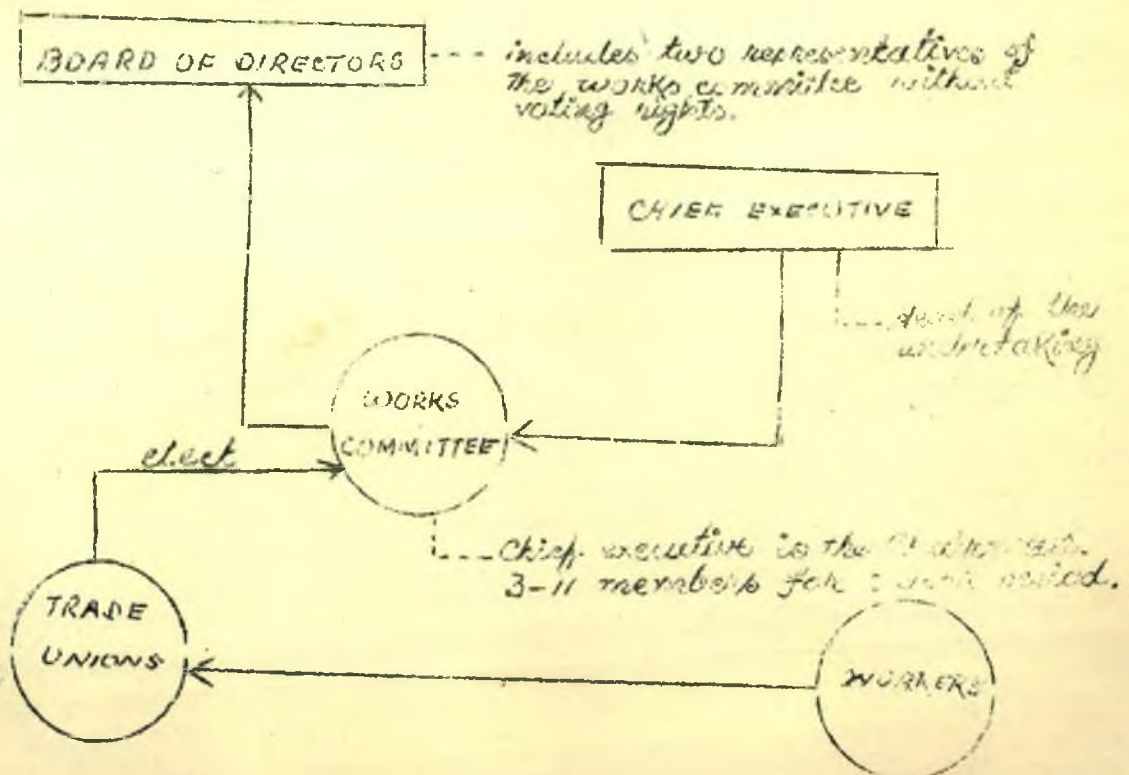
Survey research carried out in Yugoslavia shows that socio-economic status, measured by education and income, and organisational affiliation are the crucial determinants of participation in enterprise self-management organs (Verba and Shabad, 1973). Obradovic (1975) is also of the view that participation in workers' councils is dominated by a small group of top managers and professional staff employees, who also tended to be better educated and to be member of the League of Communists (p. 43).

Some authors have pointed to the increasing concentration of capital and growing material consciousness in Yugoslavia in recent years (Obradovic, 1972; Hunnius, 1973; Watchell, 1973; Jenkins, 1973). It is likely that these tendencies are associated with the strengthening of the market and, in the long run, will contribute further to the weakening of industrial democracy.

Act has changed the relationship between works committee and the union. The delegates are now appointed by the union and the union decides their term of office. The head of the firm acts as the chairman of the committee and appoints a deputy (Balfour, 1973: 185).

The works committees are primarily consultative bodies. The committee is in charge of the administration of welfare schemes and social organisation, but it has no influence whatsoever on production-related decisions. The committee has wider powers as far as welfare activities are concerned. It is responsible for the administration of canteens, libraries, cooperatives, housing societies and such other welfare services. The spheres for participation were extended, through several amendments to the original legislation, to joint consultation on major changes in working hours, annual leave schedules, rules of discipline, and long-range development of the enterprise, particularly redundancy.

FIGURE 3.38 FRENCH PARTICIPATION MODEL



No evidence is available that the workers' participation programmes in Yugoslavia either pushed up productivity or increased job satisfaction.

3.3. France: Joint Management Model

The introduction of workers' participation in French industries in fact came in 1945 (with the issuance of an ordinance when the Provisional Government was established) as part of the general reform programme which included nationalization of some key industries and a significant reorganisation and expansion of social security system.⁹ All enterprises employing at least 50 workers are required, under the 1945 legislation, to constitute a works committee. Participation in decision-making by the works committee is extremely limited, extending only to the lowest levels in the hierarchical order of decision and involving a minimal transfer of actual control to workers (Stephens, 1980: 42). The scope and powers of the works committees were extended by the Act of 1946. An Act of July, 1947 altered the method of election of members to the committees, replacing majority representation by proportional representation (Das, 1964: 54).

The works committee, headed by a Chairman, consists of elected members, generally ranging from 3 to 11, depending on the number of employees of the enterprise. Election is held at every two years and the candidates are put up by the trade unions recognised as representatives of the workers in the undertaking. If in an election, the number of voters is less than the half of the total number of eligible voters, a second election is held, wherein anyone can stand for election irrespective of trade union support (Michael, 1979: 192). The 1968

An Evaluation of the French Scheme

Several independent studies have underlined the fact that the agencies of participation, i.e., works committees, did not work effectively in discharging the functions assigned to them by law.¹⁰ The works committees gradually became a formality, although they yielded good results in the beginning, and remained largely without effect at all. They provoked neither challenges to the existing distribution of power nor did they serve the purpose they had been designed to - integrating workers into the enterprise and improving labour relations (Stephens, 1980: 43). Michael (1979: 193) also observed that the committee mechanism failed to achieve its objectives in the case of economic and industrial relations and the control of industrial tension.

The effectiveness of the works committees can be judged from the following comments of Raffalovick: "Some of them exist only in name; elections are held regularly, but no important question is dealt with at these meetings and the minutes are a record of discussion which are devoid of interest and are ineffective. Others merely duplicate and supplement the activities of the staff delegates and mainly raise problems in the form of demands without contemplating any constructive solution."¹¹

Montuclard's study of eight French enterprises over 15 years, as reported by Stephens (1980), found that the committees had elicited a certain interest for questions of production planning and organization among the union representatives elected to the committees. Enterprise committees put forward suggestions and demands for the protection of their enterprise and proposed certain conditions, in the case of mergers, that would ensure

continued employment for the workforce, but the committees could not materialize these due to absence of power base behind them, resulting from the failure of the labour unions to take them up.¹² Thus, the committees remained ineffective in their attempt.

In the public sector where there is the provision for workers' participation in boards of management, organised on tripartite basis - government representatives, consumer representatives and employee representatives - the position has been slightly better. Here the workers have a minority representation, appointed by the state upon recommendation by trade unions. This arrangement provides a method by which the conflicting interest of the three parties can be resolved.¹³ But how this has worked in practice is not clear (Mannan, 1979a).

3.4. Sweden: Negotiation for Codetermination

With her powerful labour movement Sweden saw, for more than 40 years, the Social Democratic government, having close links with the trade unions, in power. The first Social Democratic government, in response to pressures from organised labour which is exceptionally strong in organisational penetration as well as political unity and ideological commitment, raised the question of industrial democracy in 1920 and the Crown appointed a committee in that year to examine the feasibility of introducing some form of industrial democracy in the private sector industries. A separate Socialisation Board was appointed for that purpose for the public sector undertakings (Wigforss, 1924). But nothing fruitful came out due to the fall of the Social Democratic government.

The origins of worker participation lie in a collective agreement, concluded in 1946, between the Swedish Confederation of Trade Unions (L.O.) and the Swedish Employers Associations (S.A.F.) about the establishment of works councils, in firms with over 25 employees (later changed to 50 employees). The works councils had mainly joint consultation functions similar to the ones in Germany and therefore were of equally limited significance. The agreement left the method of selection of representatives of the council to respective trade unions.

In the mid-1960's the question of workers' influence again came to the fore because of the workers' dissatisfaction with the previous arrangement. Both the L.O. and the employers, became concerned about the high labour turnover, absenteeism and occasional wildcat strikes which brought into sharp focus the importance of the quality of worklife as a necessary complement to satisfactory wage settlement. The workers' representatives began clamouring for widening the process of democratization and for more power to the workers in shaping the decisions which affected their working lives (Balfour, 1973: 201). The L.O. and T.C.O. (Central Organisation of Salaried Employees) also declared, at the beginning of the 1970's, that consultative influence was not enough.¹⁴ In 1973 an Act was passed which entitled the workers in companies with 100 or more workers to at least two representatives on the board of directors, to be appointed by the local union.¹⁵ Since 1975, companies are required to give works councils full access to all financial figures and also assistance of a financial consultant if they do not understand the figures appropriately. To maintain the independence of the union vis-a-vis the enterprise, the worker repre-

representatives were prohibited from participating in decision about labour-management conflicts and collective agreements.

The latest legislation concerning workers' participation, Democracy at Work Act 1977 covering the entire labour market, has opened up possibilities for direct as well as indirect participation at all levels of decision-making within the enterprise. This law has two consistent features which deserve attention. First, workers have at their disposal the organisational machinery to coordinate their efforts towards greater influence at both central and local levels. Secondly, all of this legislation is of an outline character, defining the general rules and assuring the workers of certain fundamental rights. Within this framework, employers' association and workers' unions are left free to decide questions of detail in separate agreements, so that due provision can be made for the varying circumstances of different industries, different size firms and so on.

An Evaluation of the Swedish Model:

Swedish experience, to some extent, has been a story of success largely because of the efforts of trade unions and comprehensive training schemes. Some authority is of the opinion that works councils have been promoting better understanding between the management and the workers (Das, 1964). This has been made possible by the increasing willingness of the employers to share information with workers on important aspects of production and on the financial conditions of the firm.

It has been observed in various studies that works councils have been more successful in promoting the habit of joint consultation and in establishing good industrial relations in

Sweden than in any other country (Misra, 1976). Enlightened leadership, strong unions, socialist form of government and less government interventions are some of the important factors for this success. Swedish executives also are in favour of workers' participation as they think it as social imperative (Foy and Galon, 1976).

3.5. Netherlands, Norway and Denmark:

Joint Consultation Model

All the scandinavian countries, during the twenties endeavoured to involve the workers in management of the industrial enterprises but they achieved a very limited success. However, after the World War II, with a view to achieving greater cooperation between employers and employees in increasing production and productivity, extension of social services and safety measures and the organisation and expansion of training activities, the scandinavian countries initiated joint consultation arrangements.

In the Netherlands the 1950 Act, which came entirely within the scope of the prevailing collaboration between employers and employees (Windmuller, 1969: 399-433), provided for the introduction of Works Council which was empowered to:

- (a) deal with the wishes, complaints and comments brought to its attention as they affect the employers' position in the enterprise;
- (b) to hold consultations regarding the fixing of holidays, work schedules, shifts and meal breaks, if not done collectively;
- (c) to ensure that the working conditions applicable to the enterprise are complied with.

It was provided that the council participants in the management of institutions attached to the enterprise make suggestions about the firms methods and efficiency measures and regulations. It is, however, obvious from a look at the functions of the works council that the powers of the Works ^{Councils} are mainly consultative in nature. The Act which came into force in the Netherlands in 1973 provides for the introduction, in companies employing more than 100 persons and possessing a certain amount of capital assets, of a new method of appointment by cooperation of the members of supervisory boards - which henceforth are empowered to appoint the managers - with the works council having veto rights. The objective, in this case, is to enable the members of the board to enjoy the confidence of the workers as well as of the shareholders. In case of a veto, the board may appeal to the national tripartite Economic and social council, which has the final right of decision. In the Netherlands like FRG, the trend has been towards extension of the information to be given to the works council concerning the economic and financial situation of the undertaking to include forecast such as investment programmes, plans for rationalisation and the introduction of new methods and changes in the structure of the undertakings (ILO, 1976: 10).

7 A new Works Council Act in 1971 increased quite substantially the powers of the old councils. Employees, through their elected representatives, are now entitled to make decisions jointly with management over such issues as work rules, pension and profit sharing schemes, hours and holiday arrangements, and safety and health regulations - provided these are not subject to a national agreement between employers and trade unions.

In the same year as the Works Council Act was introduced legislation was also passed, which allowed for employee representation on the board of directors. This Act brought the Netherlands into line with the existing situation in Germany and France, and the example was followed shortly after by Denmark.

Legislation in the Netherlands has rejected a unitary board system and an Act which came into force in 1973 made supervisory boards compulsory in all companies which have a works councils and whose capital and reserves are valued at 10 million guilders (£ 1.5 million) (Smith, 1977: 45). The Act states that

when an initial supervisory board has been elected by the shareholders, any vacancies which arise thereafter should be filled by a process of co-option, subject to the approval of both shareholders and works council. Nominations for appointments can come from either of these two bodies, or from the management board, or from the board of directors, although it is only the latter who are entitled to make the appointments. Anyone may qualify for appointment to the board provided he is not already an employee of the enterprise or a member of a trade union represented within the company. If the works council does not think a candidate suitably qualified, or if it does not agree with the general composition of the board, it has the right to veto the directors' decision, and can appeal to the Social Economic Council.

The new proposals, put forward in 1976 and 1978 but not yet given legal force by the legislature, take a cautious step toward increased independence for works councils. The councils would consist only of employee members. The objective, however, would continue to be consultation with the management. The works councils would have veto rights with regard to personnel policies.

But it has been observed that the unions are apprehensive of workers taking responsibility for management; employers fear an attack on their prerogatives. Both parties are reluctant to grant more authority to councils (Hovels and Nas, 1980).

In Denmark, the Agreement on "Joint Consultation Committees" provided that Joint Consultation Committee should be set up in firms employing 50 or more persons if demanded by the employer or a majority of the workers (Khan, 1977: 144). The functions of the committees include dealings with productivity and general efficiency of the undertaking, technical changes, safety and employee welfare measures etc. The functions are primarily consultative, not decisive, with the sole purpose of increasing participation. Collaboration committees were formed in 1971 to take part in decision-making relating to the principles governing working conditions and personnel policy (ILO, 1976: 13) and an Act was adopted allowing workers two representatives on boards of directors. A Bill was introduced in parliament at the beginning of 1973 with a view to creating a national investment fund, constituted by a levy on employers, both public and private, calculated as a certain percentage of wages, which among other things, would allow workers to have a member of representatives on each board corresponding to their share of the capital of the undertaking, upto a maximum of 50 per cent.

In Norway, around the First World War, the first wave of discussions and political actions related to workers' participation appeared. But it was not until 1945 when, after an agreement between employers' organisation and unions, joint production committees were set up for promoting effective production and maintaining good hygiene conditions and vocational training.

Some years later these committees were replaced by works councils. Subsequent agreements have progressively strengthened the powers of these organs, in particular by extending their rights of consultation. Thus at the present time, all significant changes in production plans, methods, and plans for expansion, reduction or reorganisation must be discussed with these committees. Some state-owned companies introduced an arrangement to place representatives of employees directly onto the boards of companies but the actual effects of this scheme as well as the experience from similar arrangements abroad was not agreed upon by industrial and trade union leaders (Thorsrud and Emery, 1973).

The Act of 1973 provides for the establishment, in mining and manufacturing enterprises, which employ more than 200 workers, of a new type of assembly of which a third of the members are to be elected by the personnel. This assembly has the final power of decision-concerning important investments as well as in matters of rationalisation or re-organisation of the undertaking which substantially affect the employees. It nominates the Board of Directors on a basis of proportional representation if one-third (at least two) of the members of the board are the workers' representatives. Companies in the extractive or manufacturing industries which employ from 51 to 199 workers are obliged, if the majority of the workers so requests, to hold an election by the personnel of a maximum of one-third and no less than two of the members of their board of directors (ILO, 1976).

An Appraisal of the Norwegian Scheme:

The findings in a few establishments where the experiments of industrial democracy were carried out, were that productivity increased 20% or more with less supervision and the workers had higher job satisfaction (Chatterjee, 1978). The works committees, however, aroused, as reported by Schiller (1977), dissatisfaction for being weak and having only an advisory function. Even the information flow to employees seemed irregular and insufficient. Thorsrud and Emery (1973) also observed that the results of works councils, production committees, suggestion system and so forth were not impressive. Similar findings have emerged in relation to works councils where not only were representatives relatively uninvolved in decision-making but the workforce did not view the system very favourably (Mulder, 1971).

Thorsrud and Emery (1966) interviewed 30 persons who had personal experiences of the Norwegian participation model and found little evidence of active communication and feedback between the electors and their representatives, and failures of representatives to exercise control over managers or push welfare demands in the face of either company requirements or they were ill-equipped to judge. Holter's (1965) attitude survey, however, indicated that a majority of lower grade industrial workers felt that they could cope up with and wanted more responsibility in their daily work.

3.6. United Kingdom: Joint Consultation

In Bangladesh, the development of labour unions as well as modern management practices including participation practice owe much to the links with U.K. In reviewing the British experience it appears that participation has generally meant consultation between labour and management as opposed to participation of workers in the management board (Chakravarty, 1971). Collective bargaining and joint consultation - these two theoretically distinct processes to advance worker participation in management are heavily followed in U.K.¹⁶ For the most part collective bargaining was confined to the determination of general wage changes, minimum rates, hours of work and other conditions of employment but did not impinge on managerial decisions relating to methods of production, new technology or other production matters. Joint consultative committees and production committees still continue to be the main body of worker participation. These committees (with parity representation) are designed to promote cooperation between management and employees in subjects outside the collective bargaining domain. In the mid-1960s, initiatives were taken to examine what extent worker directors might be a potential form for the development of industrial democracy in British industry. The British Government established, under the pressure from the trade unions, the codetermination concept in the nationalised industries. Organised labour won trade union appointments to the managing board. The British Steel Corporation's (BSC) attempts to incorporate "worker director" is an example of this trend (Derber, 1970: 126).

But the BSC's worker director plan had failed. A research team concluded that the worker director plan was a disappointing experiment. Several reasons were cited for failure (Prospero, 1972):

- a) The worker directors lost the faith of the fellow workers as they lost touch with the latter.¹⁷
- b) They were blamed to be unrepresentative of the average worker and 'hand-picked' by the unions.
- c) The worker directors were obliged by law to resign from any union positions and this resulted in a situation where the unions ignored the workers and behaved as if they did not exist.
- d) Management treated the worker director very much as "second class" management; senior management kept them off the major policy-making committees and frequently denied them access to relevant information, especially on financial matters.

In early 1977, some far-reaching proposals for workers' representatives to sit on the Board of Directors of Companies with 2000 or more employees, were put forward by the Government-backed Bullock Committee. The major recommendations of the Bullock Report is to suggest legislation requiring corporations in the private sector to accept workers' representatives on the Board of Directors. Bullock Committee suggests giving labour and stockholders an identical number of seats on the Board of Directors and a small number of seats of impartial outsiders. The third group of directors, the outsiders, (1) must occupy less than one-third of all the Board's seats, (2) may not represent any distinct interest group, and (3) must be of an odd

number. These outsiders are to be appointed by agreement between the stockholders' representatives and the workers' representatives on the board. When these parties fail to come to an agreement, then the Industrial Democracy Commission will make a choice (Kuhne, 1980: 51-54).

At present time, the British Government has not legislated on industrial democracy (Jain, 1980: 141). The only law that currently calls for employee participation of any sort is the "Health and Safety at Work Act," which requires employee representation on safety committees (Foy and Gadon, 1976: 71-83).

An Appraisal:

One reason for the failure of the participative structure in Britain is goal incongruence as well as lack of clear objectives (Virmani, 1976). All the involved parties have their own different objectives and expectations. Apart from that, in most British Companies, information about the inside is like property on the outside in that it confers status and is thus guarded jealously along with other management perks (Foy and Gadon, 1976). Ramsey (1976) also observed that the system has failed to inculcate a sense of participation, though it has formalized serious consultation, communication and often confrontation. Formally constituted joint council meetings between management and unions at the plant level have become largely ritualistic and unimportant gatherings where the two sides meet simply to register some of the agreements and disagreements that they have decided informally before hand (McCarthy, 1961: 31). Joint consultative committees have, in fact, degenerated into a kind of consultative clubs where one can possibly voice and not solve grievances.

3.7. United States: Collective Bargaining

In the United States, where the trade unions continue to oppose on principle the representation of workers in management organs, collective agreements are the main form of participation. Collective bargaining, which in fact has reached a point over years where they cover most decisions affecting employment and working conditions, is the American route to industrial democracy. Workers' participation in USA is generally associated with participative style of management (Bass et. al., 1979). Collective bargaining is much widely used as the chief means for industrial democracy. The belief that collective bargaining is the main road towards industrial democracy, and that the collective agreement in its widest sense is its principal expression, is almost unchallenged by contemporary thought in the United States (Sturmthal, 1969: 160).

The best known form of workers participation in the USA is the Scanlon Plan.¹⁸ The Scanlon plan, however, differs from the typical participation plan elsewhere in two important respects: (1) workers receive a direct, usually monthly, financial payoff which reflects improved productivity presumably brought about through their contributions; and (2) through a suggestions system and a series of departmental committees an attempt is made to involve all workers in active participation, not just those elected to the top committee (Strauss and Rosenstein, 1970: 204).

Union-management productivity committees, in the European style, also existed in the USA during 1920s and the Second World War. As early as in 1920s U.S. enterprises had formed elected bodies of workers according to the "employee

representation plans". These bodies sat together with the managements to discuss problems of mutual interest, especially personnel and welfare matters and the demands of working class. But these bodies could not survive the great depression of 1930s.

Since 1970 the Federal Government has encouraged joint union-management committee and autonomous work group experiments to improve productivity and quality of working life (Derber, 1977). Many of the experiments in new forms of work organisation have taken place mostly in non-unionized firms. Of course, unions now show some interest in the democratization of the workplace.¹⁹ A number of companies have, independently or in collaboration with unions, introduced job enrichment programmes, flexible work schedules, and semi-autonomous work groups.

An Appraisal:

The Union leaders of the USA have generally been suspicious of the management schemes of job enrichment, etc. as well as productivity plans unless safeguards are provided for worker job security and employment conditions (Sahu, 1981). But the introduction of more "participative" management style and the improvement of job design are reported in several cases to have given good results in terms of worker attitudes and productivity (ILO, 1976).

In a study by Drexler and Lawler (1977) it has been found that both union and management officials felt that work could be improved in many ways by collaborative efforts that would benefit both the union and management.²⁰ In a study of eight U.S. Firms involved in joint union-management work innovation projects, Schlesinger and Walton found that various stakeholders were suspicious of each other and of the motives behind

such joint ventures.²¹ But the authors argued that where such projects came to fruition, these joint undertakings did have a positive impact on the process of collective bargaining.

3.8. India: Joint Management Model

In the Asian context India is a very prominent country which has been experimenting with some kind of participative schemes for a long time having been blessed with active government patronage. Starting from the limited scheme of statutory works committees (provided for in the Industrial Disputes Act, 1947), voluntary arrangements were made in the form of 'joint management councils' (JMC), scheme of worker directors, both as a statutory arrangement in the nationalised banks as well as a voluntary one in selected central public enterprises, and voluntary schemes of workers' participation for manufacturing/mining industries in 1975 and for commercial and service organisations in the public sector in 1977 as essential ingredients of the 20-Point Economic Programme of the Prime Minister Mrs. Indira Gandhi. A 21-Member Committee has recommended a legislative scheme of workers' participation providing three-tier participative forums at shopfloor level, plant level and corporate/board level.²²

Works Committee:

The Royal Commission on Labour in India recommended in 1931 to constitute works committees at plant as well as industry level consultation and resolution of disputes. Not much came out of it, however. Workers' participation, in the form of works' committees became statutory only in 1947 with the promulgation of the Industrial Disputes Act, which requires

cessation of operations. The councils are also given some administrative responsibility with regard to welfare measures, safety measures, preparation of schedules of working hours, breaks, holidays and payment of rewards for valuable suggestions from workers. All matters coming within the purview of collective bargaining are, however, kept outside the scope of JMC. It, thus, appears that the JMC is a bipartite plant level committee instituted voluntarily by the enterprise with the collaboration of union with equal representation from management and union having consultative communicative and administrative functions.

Board-Level Participation:

Workers' participation in management through representation on company boards has also been tried out in limited cases. Introduced in 1977, the scheme was tried on an experimental basis in those enterprises where there was a good cordial relations & mutual settlements on disputes. A more systematic attempt in this regard has been made in the nationalised banks.

Shop and Joint Councils:

During the national emergency (From 1975-77) not only "workers' participation in management of industry" was included in the constitution as one of the Directive Principles of State Policy, but in October 1975 a scheme for workers' participation at shopfloor and plant level of the enterprises employing 500 workmen or more was also introduced. A shop council for each department or shop (or for more than one shop) is to be, according to the scheme, constituted for a period of two years with equal representation from employers and employees (total number not generally to exceed twelve) who would meet at least once a

month and make decisions on the basis of consensus, not by a process of voting. The shop council is intended to assist in increasing production, productivity and overall efficiency of the shop or department, safety and health measures and help management in achieving monthly/yearly production targets.²⁴

Joint councils have been prescribed for the same types of units as in the case of shop councils for the undertaking as a whole to be governed more or less in the same manner as that of shop council. It will, however, meet at least once in three months, and deal with matters pertaining to optimum production, efficiency and fixation of productivity norms, work planning and achievement of production targets; development of skills and facilities of training; optimum use of raw materials and quality of product; general health, safety and welfare measures for unit/plant; and rewards for creative work and valuable suggestions.

The scheme is at present applied to the units of manufacturing and mining industries and large-scale commercial and service organisations like hospitals, post and telegram, railway stations, banks, electricity etc.²⁵ The scheme is quite flexible so as to allow variations to suit local conditions.

An Evaluation of the Indian Schemes:

As regards works councils, the initial response from employers was encouraging. The First Five Year Plan also welcomed it as an institution within the framework of industrial relations. In a situation of good industrial relations, the works committees invariably emerged as a good adjunct to collective bargaining process. But, by and large, the scheme did not come up to the expectations behind it (Thakur, 1980). The general consensus is that the experiment of works committee have failed due to

diversity in approach, advisory nature of the committees' recommendations, inter-union rivalries, union opposition, employers' non-cooperation and conflicts between union jurisdiction and jurisdiction of works committees.²⁶

The works committee mechanism failed because "the real reason lies in the fact that while there is no change of heart or outlook on the part of either the employers or the workers, the constitution of works committees has been made a statutory obligation" (Giri, 1972: 231). Both workers and managements have utilised the machinery for highlighting each other's complaints. Nothing constructive did turn out. The imposition of a structure, unrelated to human motivation and commitment, thus simply succeeded in creating a machinery not more meaningful than a ritual. The pious hopes that conceived the works committee have not been realised (De, 1969: 104).

With regard to the functioning of JMC the Report of 1966 found, on the whole, a positive role.²⁸ But studies on JMCs indicate that they have not fared equally well everywhere. The primary reason being that the national bodies of both the employers and the workers have taken inadequate interest in making their affiliates enthusiastic about it (Tanic, 1969). The councils were either not meeting at all or had ceased to function due to limited actual commitment to the idea of participation and conflicts between the representatives of workers and employers on the councils (Mhetras, 1966). Pandit (1962) came to the conclusion that the experiment did not serve any felt need on either side in the industrial establishments. She contended that the details regarding the size, structure, decision-making etc. were irrelevant as long as the groups involved in the experiment lacked the spirit of cooperation.

The main conclusion of the study by Sheth (1972) is that the Joint Management Council is effective and acceptable to the people and groups concerned with it only if it meets the perceived needs of each of them at the level of the organisation. A joint consultative machinery imposed from above or accepted after hard persuasion from outside may at least only be a mirage of success.

There has hardly been any evaluation study of the working of the Board-level representation. It is, therefore, difficult to precisely identify the areas in which such a training programme should strengthen the knowledge and skill of worker-directors. In the judgement of an Expert Committee,²⁹ the low level of education of Indian workers could be a serious handicap.

The scheme of shop and plant councils was received with enthusiasm but the trade union leaders have their reservations on the objectives of the scheme. They feel that the scheme is not complete on two accounts: Firstly, the outside trade union representatives do not find a place in the scheme, and secondly, the involvement will not be complete unless the workers or the trade unions are associated in sales, financial and production planning policies of the organisation (Sahu, 1981). The characteristics of the new scheme suggest that it is designed more on the basis of the immediate problems of industrial efficacy than to serve long-term democratic goals (Sheth, 1977: 1736-42). In a very recent study, Sahu (1981) found that in most of the organisations joint committees were not functioning satisfactorily. Reasons were identified to be: lack of real decision-making power of most of the committees, lack of proper information sharing, limited scope of the committees, no clearcut relation-

ship between the joint committees and collective bargaining, absence of well functioning grievance machinery, non-implementation of unanimous recommendations, lack of unanimity in selection of workers' representatives to the committees.

Summing up of the above findings reveals that (i) management and workers in Indian industries are at the two ends of the pole as to the forms, and objective of the participative schemes and (ii) there is a fundamental weakness in the industrial relations system - the mutual acceptability of the legitimacy of each other's role and mutual perception of interdependence between the key parties are strikingly absent. The scheme was imposed from above rather than evolved from the grass-root, and interestingly enough, although the central employers' organisations and central workers' organisations supported the scheme, their affiliates at the plant level did not show any enthusiasm for it.

3.9. Lessons from the International Experiences

It is clear from the account given above that works councils/committees or supervisory boards and other bodies of the same kind still represent the most widespread form of workers' participation. It has been found that although these bodies always enjoy the right to information, they only rarely enjoy rights of co-decision. Works councils do not seem to have come upto expectations which was seen in particular in the fact that in countries where their establishment was not compulsory, generally only a few of them have been set up. There seems to be many reasons for this lack of enthusiasm and particular mention may be made of certain lack of interest on the part of the workers in the matters dealt with by the works councils, the bureau-

cratic nature of some of the procedures followed within them and the fact that supervisory staff are not associated with their work. The relative disinterest of the workers in works council is due primarily to the fact that in the majority of cases these councils have only advisory powers, and not power of decision. A perusal of comparative literature on joint consultation in the West leads us to the conclusion that on the whole the idea has made little headway except in the initial stages and during major crises such as the World War. But one thing positive we can learn from the European experience which tells us that despite the difference in size, composition and competence of works councils or committees among different European countries, they have demonstrated, over a period of time, a capacity to find solutions of some kind to some major problems in the enterprise before they evolve into hardened issues.

The discussion of the foreign models in the previous pages has unveiled the attitudes and approaches of workers and management towards the practice of workers' participation in various countries. It is evident that the workers' participation proposition, irrespective of the operational distinction, has succeeded in achieving its objective only to a very limited extent in many countries. Unless workers' participation programmes help to establish a proper and effective communication system between the workers and their employers, the programmes would never become successful. This is what we see from the experience of the Western Europe. Indian experience is also not much different from the Western experiences.

The involvement of union and management in collaborative and cooperative endeavours requires a change in the attitude and value systems on the part of both parties. Unless accompanied by such changes the introduction of any participative schemes through legislation will hardly find a success. The best participative structure of a company is one that is worked out voluntarily and agreed upon jointly by its management and workers. Legislations have been adopted in some European countries (also in India works committees were made statutory) to increase the powers of codecision of the works councils. But it did not solve the problems that result from the dualism at plant level between the bargaining structures and the joint consultative structures.

The discussions of the workers participation in the European countries, the U.S.A. and India showed that it was a result of a challenge to the existing distribution of power and wealth. Workers' participation was introduced in societies at different levels of economic development and with different politico-economic systems. In each case, its introduction was a subject of political dispute, and it aroused strong opposition among status-quo-oriented groups.³⁰ In France, Germany and Sweden (developed capitalist democracies) the introduction of workers' participation came as a response to a challenge from organized labour to capital owners' exclusive exercise of control over production. In Yugoslavia (a developing socialist authoritarian system), on the other hand, the introduction of workers' participation was an elite³¹ response to an external threat that challenged the legitimacy of the existing order. The purpose of workers' participation was also never the subject of general

societal agreement. Different designs were promoted to serve the fundamentally different purposes of either consolidating the existing social order or transforming it toward a democratic - socialist order. Status-quo-oriented forces typically promoted incentive schemes emphasizing joint consultation that were intended to integrate workers into their enterprise and thus neutralize the challenge to the existing order (Stephens, 1980).

A point may be made about the bureaucratic-rule-oriented formalistic approach in U.K. and India. This seems not to have impressed the workers, while goal-oriented managerial approach in Germany and to a less extent in France seems to have worked better.

From the experience of the various models of workers' participation already outlined, the following seems to be the prerequisites for meaningful workers' participation in management:

1. Genuine, not sham, participation at all levels in the organisation and concerted efforts to create an environment and the mechanisms in which the workers can truly participate in the decision-making process.
2. Clearly laid down objectives of the workers' participation and positive attitudinal change of both management, workers and trade union leaders toward the philosophy of participation.
3. Positive role of trade unions in the microunit in the context of the macrounit to be blended with the broad national and social objectives.
4. Existence of strong and effective trade unions as because politicisation and multiplicity of trade unions

are not conducive to worker participation. Multiplicity of unions is harmful to effective participation as it gives rise to inter-union and intra-union rivalry (in Germany the presence of one well established union in each industry has contributed much towards the success of participation).

5. Having direct workers' participation through their representatives at plant level, for participation to be real and meaningful, rather than external trade union representatives who may not be aware of the real problems.³²
6. Clear demarcation of functions between the participative institutions and other consultative bodies in the enterprise as well as between the participative bodies and collective bargaining.
7. Setting up of participative scheme not by force or persuasion from an outside agency (e.g., government) but by genuinely voluntary agreement between the parties.³³
8. More concentration on lower level participation, in view of the workers' more interest in day-to-day plant level decisions, and at the same time having workers' representatives at top level to ensure the success of participation at all levels.
9. Education and training of all those involved in the participation scheme.
10. Conscious efforts on the part of the government to promote sharing of responsibility in management in the microunits.

FOOTNOTES

- ¹As Blanpain remarked: "..... comparability between industrial relations systems and participation schemes in different countries is full of traps..... and transferability is often a fallacy. Nevertheless comparative studies..... are more than needed, not only for academic purposes, but also for very practical reasons" (Foreword to Jain(1980)).
- ²A company with a capital of 20 million D.M.(approximately 10 million dollars) must make provision for a supervisory board of 15 members and a company with capital of over 50 million D.M. (25 million dollars) must have a supervisory board of 21 members.
- ³But according to Kuhne (1980: 30), family owned public stock companies with less than 500 employees, all private limited liability companies with fewer than 500 employees and those companies subject to the codetermination Law of 1951 are exempted from the provisions of the Act of 1952.
- ⁴Also see Otio (1973: 341-355).
- ⁵See B. Prasad, "The growth of codetermination" Business Horizons, 20 (April 1977), p. 26.
- ⁶In Yugoslavia, the concept of 'worker' includes all members of the organisation, including managers and all are members of the union. See Chatterjee (1978: 513).
- ⁷In Yugoslavia, trade unions do not have any direct role in the management of the enterprise but they have the right to present list of candidates for election to the workers' councils and their approval is necessary for the councils' decisions regarding wages and distribution of the surplus. At a higher level, trade unions are consulted on legislations in the field of labour.
- ⁸In 1958, a system of social self-management was introduced, with considerable autonomy of communes in economic, cultural, and educational affairs and social services. The constitution of 1963 adapted the political system to this self-management structure. The economic reforms of 1965 implied a substantial transfer of income rights from the state to worker-managed enterprises. Since 1971, a great many efforts have been made to carry out thorough renovation of the system and to remedy certain difficulties to which even the highest authorities in the country have drawn attention, Vide ILO, Workers' Management in Yugoslavia, Studies and Reports, New Series No. 64, Geneva, 1962 and Series No. 48, 1976.
- ⁹The worker participation movement in France owed its origin to the radical ideologies which gained a foothold in the wake of the Revolution of 1789. The first attempt at establishing

national workshops was, however, made in 1848 after the collapse of Third French Revolution. But this proposal, aimed chiefly at entrusting the ownership of the means of production to workers, could not materialize. The idea of shop delegation to associate labour with management received a spurt in 1890 when the appointment of shop delegates in coal mines was made compulsory by a state law (Vide: ILO, Labour Management Cooperation in France, Geneva, 1950). The decree of 1899 strengthened the movement which required all enterprises having dealing with public body to constitute labour councils having official representatives of workers and employers (see K. Bhikari, 1959). But due to the hostility of employers and the militancy of trade unions the movement could not gain momentum until 1945.

- ¹⁰ See, for example, ILO, Consultation and Cooperation between Employers and Workers at the Level of the Enterprise, Geneva, 1962.
- ¹¹ Extracts from M.O. Raffalovich's study quoted in the ILO Report, "Cooperation in Industry", Geneva, 1950.
- ¹² Although the militancy of French labour unions in terms of strike behaviour is comparatively very high, the French labour movement, in general, is among the weakest in Western Europe in organisational penetration as well as ideological unity. In addition to the lack of organisational and political unity, one of the most important causes for the low strength of French labour as a sociopolitical force is the small union membership, which is 15% of the total labour force of France as against 30% in Germany and 75% in Sweden. See, for example, European Communities, Press and Information Service (Summer 1971) .
- ¹³ Cf. N. Das, The Public Sector in India, (Bombay, 1961).
- ¹⁴ In 1966, a new agreement on works councils was concluded between L.O. and SAF, which emphasized that consultation take place prior to managerial-decisions. However, the functions of the councils remained restricted to joint consultation (See, for references, Stephens, 1980).
- ¹⁵ In 1976 this law was extended to apply to all industrial enterprises with 25 or more employees as well as to banks and insurance companies.
- ¹⁶ Worker participation is not a new concept in U.K., several initiatives have been taken in this direction since the late 19th century, in the form of guild socialism, nationalization, joint consultation and so on (See Jones 1977).

- 17 The same charge has also been made by Derber (1970: 126).
- 18 For a full description of the Scanlon Plan, see F.G. Lesieur (ed.), The Scan Plan, MIT Press, Cambridge, 1958; and, F.G. Lesieur and E.S. Puckett, "The Scanlon Plan has proved itself", Harvard Business Review, XLVII (October, 1969): 100-118.
- 19 For example, in 1973 the United Automobile Workers (UAW) and employees in the automobile industry in the United States (and Canada) signed an agreement that provided for setting up in each of the major automobile companies a joint committee for the improvement of the quality of working life, with three members each from the union and the company, empowered to study and analyse possible changes in the organisation of work and to undertake experiments (See ILO, 1976: 315 and Jain, 1980: 184). For problems encountered in starting a cooperative project in one of the largest companies in the USA, see John A. Drexler, Jr. and Edward E. Lawler, "A Union-Management Cooperative Project to improve the quality of work life", Journal of Applied Behavioural Sciences, 13, 1977.
- 20 However, this study unveiled certain forces favouring adversary traditional type of labour-management relations which were very strong. These forces included the different goals of the union and management; the lack of any model of, or experience with, successful cooperative problem solving; the desire of both parties to maintain a contract; the risk to both union officials and company management in changing a relationship that brought them to power; and the time and cost required to change: Ibid. p. 386.
- 21 Reported by Jain (1980: 185-86).
- 22 Vide Government of India (Planning Commission), Sixth Five Year Plan, 1980-85, pp. 404-405.
- 23 Government of India, Ministry of Labour, "Seminar on Labour Management Cooperation", 1958.
- 24 See Michael (1980: 222) and also Government of India, Report on the Working of the Joint Management Councils, Ministry of Labour and Employment, 1966.
- 25 See Appendix III of Avendano et. al. (1981), Report II. In January 1977 the Government decided to extend the scheme to public sector, commercial and service organisations. The scheme would apply to the lowest operating unit of a public sector, commercial or service organisation - equivalent to a shop in a manufacturing unit having at least 100 workers. However, if any organisation desired to apply it to units with lesser employment, it was left free to do so.

CHAPTER FOUR

EXPERIENCES IN PARTICIPATION
IN BANGLADESH :
AN OVERVIEW

4.1 Labour Legislation, Labour Welfare and Labour Policy

Labour legislation is one of the most dynamic and vital institutions in modern society and is based on certain principles, such as, social justice, social equity, international uniformity and general economic situations of the country. The real progress of national labour legislation depends upon several factors, of which the most important are the growing class solidarity among workers and their realisation of the power of collective bargaining, the growth of enlightened self-interest among the employers as to the importance of an efficient and contented class of workers who, with higher purchasing power, can ensure the continued development of national industry and the realisation by the public in general of the significance of moral and material amelioration of workers for welfare of the society as a whole (Ahmad, 1980a: 61).

It is often felt that a country under the dominance of imperialism and a country where capital is more favourably compared to labour, the labour legislation would show clear distinctive mark of transformation beginning with the negation of basic human needs and right to a transformed relation of maintenance of a dependent proletariat (Ahmad, 1977: 65). But the social and political evolution has its own course and often forces upon the government certain measures which though intended to be defensive in nature also, through the interaction, promotes polarization for more radical measures to be adopted later. This is in a nutshell the position of the labour legislation controlled by western-oriented liberal bourgeoisie bureaucracy and politicians in the undivided India and the United Pakistan. We, in the newly born country Bangladesh, expect some fundamental changes in the approach towards labour legislation.

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The labour laws so far enacted and enforced may be discussed either historically or on the basis of types and areas of legislation.¹ It will be convenient for our present discussion to follow the second approach. Let us begin with the rights of association. The Trade Union Act of 1926, which provided the statutory basis for the formation of trade union, was amended in 1960 by the Pakistan Government and an altogether new Act was passed by the Provincial Assembly of East Pakistan in 1965. The Act provided for the optional registration of trade unions. Any seven or more members of a trade union might, by subscribing their names to the rules of the trade unions, apply for registration. The unions could not have more than fifty per cent of the office bearers from outside. The Act provided for immunity from civil and criminal suits for activities furthering their cause, unless such activities involved committing an offence. The Act forbade compelling any union member to contribute to a political fund. Since the Act did not provide for compulsory recognition of a trade union by an employer, there was no inducement to register even after a trade union was formed. The Act was not strong enough to grant protection against victimization of union officers. The Act also forbade election of union officers who had been convicted of illegal strike or instigation of strike. Again, people convicted of offence involving moral turpitude or anti-state activities could not be elected as union officers.

In the Labour Policy of 1955 the then Pakistan Government made it a policy to encourage growth of genuine and healthy trade unions in order to promote healthy collective bargaining on the part of labour and desired recognition of genuine trade

unionism. The recognition of trade union was recommended to be an adjudicable matter. It incorporated all assurances to protect "appropriate" trade union activities.²

Pakistan ratified a number of ILO Conventions (Particular mention may be made of Nos. 87 and 98) giving workers the freedom of association and collective bargaining. The adoption of the Conventions 87 and 98 by Pakistan at this early stage of its labour movement might have been a landmark in the history of our trade union movement if they had only been properly implemented. The then Provincial Minister for Commerce, Labour and Industries, Sheikh Mujibur Rahman, during the meeting of the East Pakistani Labour Advisory Board on May 23, 1957, commented that the governments' labour policy could neither be formulated on 100 per cent sound lines nor could it be efficiently and effectively implemented except with the unstinted cooperation, assistance and advice of the leaders of both employers and employees.³ The "Labour-Industrial Truce" was a major component of the Government of East Pakistan's Labour Policy, was formulated in this meeting which made far reaching provisions regarding, inter alia, facilities to form free trade unions.

The Martial Law Government during the regime of Field Marshall General Md. Ayub Khan also paid attention to trade unionism. This was reflected in the labour policy of 1959 announced by Lt. General W. Burki, Minister for Social Welfare. This 11-point Labour Policy promised suitable amendments of the Trade Unions Act, 1926 to ensure that the workers were not exploited by outsiders for their own personal or political end. It also promised to set up, in order that there was a compulsory recognition

of trade unions by the employers, a machinery which could decide which union was worthy of recognition.⁴

It may be noted that the policy was relatively broad and in general appeared to conflict somewhat with certain Martial Law Regulations. Pakistan ratified Convention No. 87 which deal with worker's right of association and collective bargaining. But it became most obvious in East Pakistan that the right of association was being denied to many legitimate trade union leaders.

The Trade Union Ordinance of 1960 provided for compulsory recognition of trade unions.⁵ Where there was more than one trade union, if the number of its members was not less than ten per cent of the total number of workmen employed in such industry, and exceeds the number of members of every other trade union in such industry, such a union must be recognised by the employers. If the employer refused to recognise a trade union within three months after application, the union might apply to the Industrial Court for recognition.

This Ordinance also listed unfair labour practices by the employers and workers. Unfair labour practices by the employer include interfering with, restraining or coercing workers who would exercise their rights to organise a union, interfering or supporting a union, victimizing or discriminating against any worker or union officer because of his being an officer or member, discharging or discriminating against any workmen giving evidence under the Ordinance. The unfair labour practices on the part of the workers include engaging in illegal or irregular strikes, instigating an illegal strike, coercing a worker to join a union

against his will, submitting false returns and causing an untruth to be told in any report required of the union under the Ordinance (Galenson, 1963). "It may be noted in passing that this ordinance was drafted after the Labour Management Relations Act of the United States and this was serviced through a consultancy provided for by the USAID. The basis is certainly for a democratic procedure in a capitalistic set up (Ahmad, 1977: 67).

The East Pakistan Trade Unions Act, 1965 dealt a fatal blow to the trade Union movement. Under this Act the registration/ recognition of trade union became the purview of the Director of Labour. Leftist critics of the Act argued that this was intended to be a mechanism wherewith to prevent the formation of a trade unions with leftist leanings. This was then tantamount to denying the workers the right to organise. The matter was aggravated because the same year saw the passage of the Labour-Disputes Act which by and large was responsible for the denying the workers the right to bargain collectively (Chowdhury, 1977: 22-23). The Employment of Labour (Standing Orders) Act, 1965 provided for the mass dismissal of workers of an industry for any attempt at collective bargaining.

From the above discussion of labour legislation we can draw two inferences. First, the improvement in the industrial relations climate during Third Plan Period (1965-70) was a statistical artifact due to the denial of the workers of the right for collective bargaining, through strikes if necessary, and to the provision of other measures for grievance settlement which tended to weaken trade unions. Secondly, the works committees could scarcely flourish in such antithetical settings. There always remained in East Pakistan a large gap between the statutory provision of

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progressive measures, if at all, and actual governmental follow-up and implementation thereof. The Works Committees were mostly confined to the mere statutory provisions during the 1950s and 1960s. Private enterprise was the dominant factor in the industrial sector of Bangladesh. Such capitalist elites, predominantly of a non-Bengali type, were naturally reluctant to divest of the exercise of all powers of management.

Air Marshal Nur Khan recommended an outline of the Labour Policy in 1969, under the Second Martial Law imposed by General Yahya Khan, which promised every encouragement to the growth of constant trade union movement through making the labour laws far less restrictive than they were at that time. The Government policy was to permit the free exercise of the right of associations to all workers and encourage and foster the growth of trade unions.⁶

With the appearance of Bangladesh on the world map on the 16th of December, 1971, the Government took the trade union as a matter of fact and recognised that, during the Pakistan Regime, trade union activities were viewed with disfavour and no opportunity was given for the growth of free and democratic atmosphere. The Government of Bangladesh made public its first Labour Policy in 1972, where it was noted that the absence of collective bargaining by workers in nationalised industries would not mean cessations of trade union activities. The policy discouraged growth of multiple and mushroom trade union in each industrial establishment and encouraged formation of one National Trade Union for each industry in the nationalised/taken over industries which would, it was expected, facilitate consultation on issues which were of national character at national levels.⁷

The Government of Bangladesh in 1980 declared its second Labour Policy. This was discussed several times in the National Tripartite Consultative Committee. The policy upholds the government's belief in the need for growth of healthy trade unionism and discouragement of the multiplicity of trade unions. The government further believes in the right of workers to form trade unions. The government further intends to maintain the existing practice of formation of Executive Committees of trade unions at plant level with representatives from among the workers. The services of the members and other office-bearers of the Executive Committee shall not be terminated without prior approval of the Government. There will however be no restrictions on the election of non-workers as members and office bearers of the Executive Committees of Trade Union Federations. The government recognises the right of strike of workers and that of lockout of employers as instruments of collective bargaining. To uphold the democratic principles the right of strike may be exercised only after securing through secret ballot support of majority of workers of the collective bargaining agent.⁸

Besides the rights of association and of the formation of trade unions, the other significant set of laws concern settlement of industrial disputes.⁹ Governments' labour policy for the major part of the period upto the World War II was that of a passive regulator of labour in industry. All legislative and governmental intervention was designed essentially to achieve two ends: (a) to ensure labour the minimum of protective legislation against the more flagrant abuses of the industrial environment; and (b) to ensure that labour-management frictions did not overtly disturb the peace and security of the State. The Trade Disputes

Act, 1929 which was enacted to provide for conciliation boards or courts of enquiry for the settlement of disputes between employers and workmen belonged to the second category. This Act imposed limitations both on employers' right to lockout as well as employees' right to strike. A few days before the partition of India the Industrial Disputes Act of 1947 was enacted over the bitter opposition of labour representatives in the Central Legislative Assembly. The Act continued the restrictive aspects of wartime labour policy. It empowered the government to refer any dispute to adjudication by industrial tribunals. Strikes were forbidden during the pendency of conciliation or arbitration proceedings, and during the period when an award was in force. Under the Act, conciliation was compulsory in the case of disputes in public utility services and optional in the case of other industrial establishments. Strikes in the public utility services without fourteen days' notice was prohibited.¹⁰

The Act was amended in 1956 the object of which was to provide a speedy remedy to the aggrieved employees in cases of violation of Section 33 by altering the condition of service to a worker's pay during the pendency of the dispute in order to safeguard against the victimization of workers for raising the dispute.¹¹ The Act was again amended in 1957.¹² The objective of the amendment was to provide safeguards against dislocation of industrial production by placing restrictions on the workers' right of strike, the employers' right to lockout, to enable the conciliation and adjudication of industrial disputes in a peaceful atmosphere. The Act was repealed in 1959 and Industrial Disputes Ordinance, 1959 was promulgated which further formalized the position of industrial tribunal by giving it the powers of civil court to call for records and to examine evidence. The

courts were constituted to arbitrate but they were encouraged to secure available settlements. The courts suffered from absence of any uniform body of decisions, principles or precedence. Further, the trade union representatives often failed to understand the legal requirement of onus of proof. Two members who represented the employers and the workers often presented partisan views leaving the Chairman in the lurch. The procedures have been subsequently amended but the essential position remains the same.¹³

The 1969 Policy made distinction between conflicts arising out of matters of right (e.g., breach of contract) which were to be dealt in the court of law and conflicts arising out of matters of interest which must follow bilateral negotiation, conciliation by government agency, voluntary arbitration and finally strikes and lockout. Thus the matters of jurisdiction of industrial court was further delimited.

We shall now turn our eyes to the labour laws dealing with labour welfare. In the united Pakistan the central government's activity was confined to amendment or extension or framing of rules under existing central laws relating to mines, dock labour, employment of children, industrial disputes, training and employment, etc. and the provinces concentrated on introducing or expanding legislation relating to maternity benefits, commercial establishments, etc. Pakistan adopted the entire factory legislation which evolved in undivided India from 1881 to 1947 and promulgated the Employers' Service Records Act, 1952. Some ILO conventions had also been ratified which Bangladesh has also adopted. The factory legislations now in force in our country

apply to all factories employing ten or more workers and using power-driven machinery.¹⁴

The employment of children and women has been restricted to certain extent. No child below fourteen years of age is allowed to work in a factory and a child having completed fourteen years of age is allowed to work if a certificate of fitness is granted him. A child worker can not work for more than five hours in a day and between the hours of 7 p.m. and 7 a.m. Female labour is forbidden in dangerous industrial process or at night and is also restricted to a nine-hour work day. Paid holidays for ten days for adults after a year of continuous service and fourteen days for children are provided. Large industrial enterprises employing more than 250 persons must make arrangement for canteens providing service of specified standard. Health and safety rules are fairly detailed and rather advanced, but many of such provisions are discretionary and only a few have been enforced thus far.

The Industrial Employment Standing Orders Act, 1946 provides for certification by government authority of standing orders concerning detailed conditions of employment (Andrus and Mohammad, 1958). The East Pakistan Employment of Labour (Standing Orders) Act, 1965 was passed by the E.P. Assembly on the 12th August 1965, which repealed and, with certain amendments, re-enacted the Industrial and Commercial Employment (Standing Orders) Ordinance, 1960. The principal aim of the Act was to regulate the conditions of service of workers employed in Shops and Commercial and Industrial Establishments.

Another body of legislation is concerned with the working conditions in the factories. Bangladesh has approximately 1.1 million organised labour force. Each year approximately 4,500 workers are injured, impaired or died in Bangladesh due to accidents in course of employment. The money cost of these accidents amounts to about Tk. 1.2 million (Tk. 12,00,000) of which about Tk. 2,50,000 accounts for death, Tk. 8,25,000 for partial disablement and Tk. 1,25,000 for total disablement per year. Approximately 950 workers suffer permanent disablement annually. The total working time lost by these workers through on-the-job injuries amounts to approximately 40,000 mandays each year.¹⁵ The first Factories Act for regulating conditions of labourers in factories was passed in 1881 in British India. The provisions of this Act were far from satisfactory. The Factories Act, 1934 was later enacted to implement the recommendations of the Royal Commission on Labour in India. The factory legislation, namely, the Factories Act, 1965 is based, to some extent, on the lines of the U.K. Factories Act enacting provisions relating to occupational safety, health and welfare. In fact, in the field of enacting labour legislations in Bangladesh, Her Majesty's Inspectorate of Factories in U.K. and the system of working there have been accepted as model.

Many of the safety provisions of the Factories Act concerning safety of building and machinery, fencing of machinery, work on or near machineries in motion, employment of young persons and women in dangerous machines, striking gears, casing of machineries, cranes and lifting machineries, protection of eyes, precautionary measures against dangerous fumes, etc. had to be

explained to the managements to bring home to them their statutory obligations to implement them and thus offer safe working conditions to work-places with a view to minimizing industrial accidents, improving efficiency and production. In spite of these regulations, being more or less implemented, there exist deficiencies relating to social aspects of the life of worker in some factories in Bangladesh. This refers to a situation more or less for counselling to both the parties involved, e.g., management and labour.

In order to improve the conditions of workers the government has set up a separate Department of Inspection for Factories and Establishments in 1970 which is responsible for implementation, administration and enforcement of 46 labour laws, now in force in Bangladesh. Over 9,000 factories have been registered with this Department (upto 1977) and a large number of factories is inspected every year. In the past, during the inspections, Inspecting Officers have detected quite a good number of infringement/violations of various labour laws. It is, however, gratifying to note that in some of the industries "safety committee" have been formed and training courses on safety have been undertaken. The government also is contemplating to enact provision in the Factories Act to set up safety committees covering all industrial establishments wherein 100 or more workers are engaged with equal representations of workers and employers (Hafiz, 1977: 14). The government may also take necessary steps to set up a full-time national 'Safety Council' consisting of representatives from workers, management and the government. The objective and functions of the council may be as follows:

- a) to formulate national policies on safety;

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- b) to support the national programme for promotion of safety in industries and other economic activities;
- c) to stimulate through educational and motivational services the acceptance of safety practices by workers, employers and public at large;
- d) to create incentive for adopting safe working conditions and to avoid unsafe acts and unsafe conditions.

4.2 Workers' Participation in Decision-Making in Bangladesh Industries in Retrospect

4.2.1 Historical and Legislative Development:

In this section of our study we shall try to trace the history of workers' participation in management in Bangladesh and the motives present behind the steps taken in this particular field. The importance of joint consultation/worker participation in the mechanism of industrial relations was gradually felt in this part of the world partly due to the influence of ILO and partly because of growing consciousness of workers. In British India trade union leaders began movement for the very existence of their union from the beginning of the present century. Upto 1920 they were unsuccessful. Then came a new leadership after the establishment of ILO after the First World War in 1919 from which period the movement of the trade union leaders was concentrated for the right to recognition which resulted in the Trade Union Act of 1926. Then came the movement for participation in the decision-making bodies and sharing the profit apart from the right to information for collective bargaining. Hence the idea of participation in management.

In the pre-partition days during British Colonial Rule the Royal Commission on Labour appointed in 1929 with Whitley as Chairman and with N.M. Joshi (Bombay) and Chamonlal (Lahore) as members, recommended the establishment of Works Committee as a measure to avoid small frictions between the employers and the employees (Ahmad, 1978: 55). The Commission's recommendation was virtually the first attempts to introduce the system of joint consultation in the industries of India of which Bangladesh was a part. Some establishments made experiments with the Works Committees, as envisaged by the Royal Commission on labour, but the practice was not universal. The result achieved was also not satisfactory. The employers began to regard such committees as substitutes for trade unions while the trade unions regarded them as rival institutions deserving no encouragement. In the face of hostility and non-cooperation from the public the Royal Commission could not delve deep into the problems of workers and therefore their recommendations were bound to be hazy and vague.

In the sub-continent statutory provision for Works Committee as a forum for joint consultation was made in the Industrial Disputes Act, 1947. During the Pakistan Period the Industrial Disputes Ordinance of 1959 which replaced the Industrial Disputes Act of 1947 made provisions for the formation of Works Committees. The Works Committees to be established in the industrial plants by workers and managers, according to the Ordinance, were described as follows:

1. In the case of any industrial establishment in which fifty or more workmen are employed or have been employed on any day in the preceding twelve months, the employer

shall constitute in the prescribed manner, a Works Committee consisting of representatives of employers and workmen engaged in the establishment, so however, that the number of representatives of workmen in the Committee shall not be less than the number of representatives of the employer.

2. The representatives of the workmen shall be chosen in the prescribed manner from among the workmen engaged in the establishment and in consultation with their trade union.

3. The Works Committee shall promote measures for securing and preserving amity and good relations between the employer and the workmen and to that end, comment upon matters of their common interest or concern and endeavour to compromise any material difference of opinion in respect of such matters (Shafi, 1962: 266-267).

The Industrial Disputes (Central) Rules, 1960 specified the functions of the Works Committees. These functions related to the following:

- a) allocation of festival holidays;
- b) fixation of festival hours within limits prescribed by the relevant laws;
- c) regulation of rest intervals within the limits prescribed by the relevant laws;
- d) grant from the five-fund or compassionate funds in such concerns where welfare fund committees do not exist;

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- e) adoption of measures for safety and means of prevention of accidents;
- f) adoption of measures for general welfare of employees such as sanitation of work room, first aid and medical treatment, recreation, entertainment etc. in such concerns where separate committees for such purpose do not exist, and
- g) consideration of the grievances arising out of the punishment awarded upon the employee (including the industrial grievances) (Shafi, 1962: 227-228).

Since the Industrial Disputes Act of 1947 all the laws on Industrial Relations enacted in this country had provisions for Works Committee/Council for promoting measures for securing and preserving amity and good relations between the employers and the workers and to resolve material differences, if any, at the unit level.

It is worthwhile to note that the Industrial Disputes Ordinance, 1959 made it mandatory for firms hiring more than fifty persons to constitute Works Committees and the Industrial Disputes (Central) Rules, 1960 limited the number of members of this Committee to not more than twenty (Raza, 1963: 154). Employees and employers were supposed to have equal representation with the idea that management would have a forum to exchange views. Lack of adequate data forbids us from ascertaining the number of such Committees established in productive enterprises in actuality. We are also not in a position to evaluate their performance for lack of evidence. One author noted that the works committees had not proved very successful in cases where

they were formed. According to him the laws provided a framework for such committees but couldnot provide the proper norm of social behaviour which were vital for the success of these committees (Ahmad, 1979: 51-52). Another authority also pointed out that the works committees have not proved very successful. He goes on saying: "The Law can only provide a framework for social behaviour, it cannot infuse the spirit of cooperation necessary for successful solution of the problem that must spring from a desire to cooperate. People may be compelled by law to go through the motions, but may lack the spirit to carry out the provisions, and such proved to be the case with the Works Committee" (Raza, 1963: 154).

In areas where such Committees were formed they were formed ritually and mechanically but the spirit behind the laws were not translated into reality to deliver the goods for which the committees were intended. It is probable that the socio-political milieu of our country as it was related with the specific material aspirations of different groups of people did not actually correspond to the same wavelength with the goals implicit behind the legislations enacted to create the Works Committees (Ahmad, 1979: 52). In mid late sixties little or no new development took place in the field of worker participation. The most important development of the period was the accommodative labour policy by the Martial Law Authority which succeeded the reign of President Ayub Khan in 1969. This policy, however, had very little or almost nothing to offer in the field of participative management.

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Beginning from 1962 upto 1969 several movements took place against the then form of Pakistani rule under President Ayub Khan who was dislodged in 1969 in the face of unprecedented mass upsurge largely participated by the workers with the traditionally militant students who spearheaded the demonstrations against Ayub. Under the tutelage of Sheikh Mujibur Rahman the Awami League Manifesto, on the eve of 1970 general election, was framed in mid-1970. Of significance is that it was also said that the workers shall participate in the equity capital as well as in the management of the enterprise. This also applied to industries not directly nationalised. Here was thus at least a commitment on the part of Awami League (which ruled Bangladesh for four years after liberation) binding it to work for workers' participation. The exact form, procedure and implications of workers' participation, however, was not worked out in detail. The above discussion tempts us to conclude that the Works Committees/Councils were mostly confined to mere statutory provisions during the 1950s and 1960s. Private enterprise was the dominant factor in the industrial sector of Bangladesh. Such capitalist elites (mostly non-Bengali) naturally opposed to part with the powers of management. Thus WPM could not grow in Bangladesh territory.

Worker's Participation After Nationalisation:

Years of neglect to economic and social development plunged the country into chaotic poverty and indiscipline. Explosive demographic pressure coupled with unemployment and underemployment in their ugly form accumulated an utter sense of despair. When the country was liberated on the 16th of December,

1971, the nation was left with the black legacy of the consequences of past exploitation and the barbarous mark of atrocities in the history of mankind. National priority was naturally given to a planned programme to combat all economic and social evils. The immediate area was identified to be the industrial sector where the depression has been let loose to a form of physical manifestation.

In view of the socialist ideology of the society, as embodied in the constitution of Bangladesh,¹⁶ the political thinking naturally apt to lean towards measures for establishing industrial and economic democracy. The idea about workers' participation was therefore activated and seems to have got formal consideration from the government soon after liberation. The then Prime Minister made a statement on the 9th February, 1972 which read as under:

"I assure our workers that basic goal of the socialist economy, which we are committed to establish, will be securing the just rights of workers and assuring their welfare. A plan is being prepared whereby measures of nationalisation would be combined with new arrangements to ensure workers' participation in management of industries" (Ahmad, 1979: 54).

In fact, the Planning Commission set up a "Study Circle" to prepare a report on "Workers' Participation in the Management" with Mr. Kamruddin Ahmad as the Chairman (on 19th February, 1972). After about three months' weekly meetings the report was submitted to the Planning Commission. The relevant points of the report were as follows (Ahmad, 1978: 108-10):

1. Industrial peace is essential for economic progress and prosperity of the country.
2. Differences between labour and management are inherent in work situation. There should be settlement of such difference between the labour and management through peaceful and constitutional means such as joint consultation, mediation, conciliation, voluntary arbitration and adjudication.
3. There should be national Wage Board consisting of representatives of Government, workers and employers which would after hearing all the concerned parties give an award for at least two years for the whole industry on the basis of the capacity to pay and essential needs of workers.
4. In nationalised sector a Management Board should be set up in which workers should participate in decision making:
 - a) This should be the pattern in Management Board in which General Manager and Senior Manager will preside and if the experiment succeeds then the above principle might be extended to the Board of Directors or for other policy-making bodies like Corporations.
 - b) This is necessary in view of the fact that it could not be extended to the policy-making until there are sufficient experienced workers and Directors who could take the responsibility in policy matters in nationalized sector. But this would not be extended to the joint venture between the government and the foreign investors.

- c) Principle of equal representation is not acceptable, therefore it would be solved if the government nominates someone in the Board to avoid stalemates.
- d) Employers are of the view that no outsider should be allowed to be on the Management Board and if the trade union nominates rather than elects their members they must be workers of the factory. The workers insist on their right to nominate anyone they would like. The employers were unbending on this point, then problem may be solved by having Management Board at the plant level where outsider should have no entry but there might be a national council where the recognized federations might be represented by outsiders in the policy matters and may discuss with the Chairman of the Corporation assisted by the Directors.
- e) It should be a national effort for the workers backed by government to have not more than three national federations and the union at the plant level have to affiliate itself in one of those national federations. This is also necessary for setting up of a national Wage Board which should be presided over by a retired High Court Judge or a judge who had been holding the position of a District Judge or Additional District Judge for more than five years.
- f) It may be clearly understood that the collective bargaining agents would be entitled to bargain on all matters except which concern financial commitments like wages, dearness allowance, medical allowance, house rent allowance, etc.

It is important to note here that the Kamruddin Committee had long deliberations including discussions with the leaders of the various trade unions and top management personnel. There was a strong view from some labour leaders of Sramik League (one of the national level trade union - a sister organisation of the country's ruling political party, Awami League) that workers should be owners or should dominate the management boards. They had a very exclusive view on consultation and felt that only they should be consulted. For this reason they declined any attempt to meet collectively with other union leaders to work out a consensus on the rule of labour. The recommendations of the Kamruddin Committee Report clearly reflected the contradictions of policy-making in a bourgeois state and could not clearly distinguish between the political question of workers as a dominant class force in the state sector and the operational problem of inducting workers into positions of management in the nationalised enterprises. The main future of the Committee's recommendations was to give the workers' elected representatives a place on the management board of the enterprises and in shop-floor worker-management councils. It is of interest to note that the Committee's attempt to elicit labour views were deemed inadequate and it was also felt that for an effective policy on labour participation to emerge it was important that major labour unions/factions support the policy. The failure to secure a consensus would frustrate the policy. To achieve this goal dialogue was initiated by the Prime Minister in April 1972. However, a session held to this end ended in utter chaos and bitterness as rival union leaders with affiliations to different political

parties questioned the right of other participants present. This failure to develop a dialogue with the workers and elicit a consensus from them led the government to unilaterally set about making policy for the workers. Thus, on May 30, 1972 the NID submitted a policy paper to the Cabinet on workers' participation and incentive systems, which was based on the recommendations of the Kamruddin Committee.¹⁷

Composition and Functions of Management Board:

The Management Board as proposed by the Kamruddin Committee as well as by the labour policy of 1972 was to be constituted as under:

I. Corporation Representatives:		
(a) a nominee/appointee	-	1
(b) chief executive of the enterprise.	-	<u>1</u> 2
II. Financial Institution Nominee		1
III. Workers' Representatives.		2
		<u>5</u>

The Corporation was to appoint or nominate a member who should either be a Director or a Senior Officer of the Corporation or a senior government officer or an outsider having outstanding background in the field. The Chief Executive of the enterprise, who is a wholetime employee of the Corporation, would by virtue of his position be a member representing the Corporation. The financial institution allowing the credit accommodation for the capital investment or working capital would nominate one

of their senior officers in the management board to see the interests of the institution. The workers' representatives, who must be in the services of the enterprise and had put in at least three years of continuous service, should be elected by the workers by way of secret ballot. The elected representatives would sit on the Board for a period of two years. The corporation would select one of its two nominees to be the Chairman of the Board which was proposed to meet at least once in two months, to transact the day-to-day business in the conduct of the enterprise. Decisions in the management board should be carried out by a simple majority and in case of a tie on any issue the Chairman might have the right of a casting vote.

The functions of the management board would in principle remain to be those performed by the erstwhile board of directors but in view of the complete change in the administrative system of the government and since the enterprise is a wholly owned property of the state major policy and financial decisions would be dealt with at levels above the management board. Certain top policy decisions having national and sectoral importance were taken by the Cabinet. Administrative and financial decisions of slightly lesser importance and of technical nature are taken by or on the advice of a cabinet sub-committee. At the level of the Ministry, all policy and administrative decisions relating to the operation and control of the enterprises and administration of the sector corporations are taken. To restate the position, it would appear that all policy, administrative and financial decisions, would be taken at any one of the upper tiers of the

hierarchy. What would remain for the management board was essentially the operational assignment pursuant to policy, rules, regulations, budget, etc. communicated to the enterprises from time to time. *Figure 4.2 in the next page* shows the decision-making hierarchy as stated above.

The decision to establish management board in the enterprises was, however, not ultimately materialised fully due to shortage of qualified and experienced professional managers and lack of education and managerial knowledge of the workers in the industrial sector.

In addition to the management board, the Labour Policy of 1972 proposed formation a "workers' management council" at each individual plant with equal number of representatives of management and workers to deal with the day-to-day problems and also disciplinary cases relating to the workers. The representatives of workers were to be directly elected by and from the workers. But these provisions could not be acted upon as the labour wing of the ruling party decided to disassociate from deliberations, on the plea that other trade unions' participation be restricted. Thus a great possibility of introducing participation of labour in management was frustrated.

In order to get expert advice on how the concept of workers' participation in management could be introduced in this country the government sought ILO's assistance and accordingly an ILO Mission known as SIDA Mission under the leadership of Mr. Joan de Givry, Chief of Social Institutions Development Department of ILO visited Bangladesh in the middle of 1973.

Figure - 4.1

DECISION-MAKING HIERARCHY

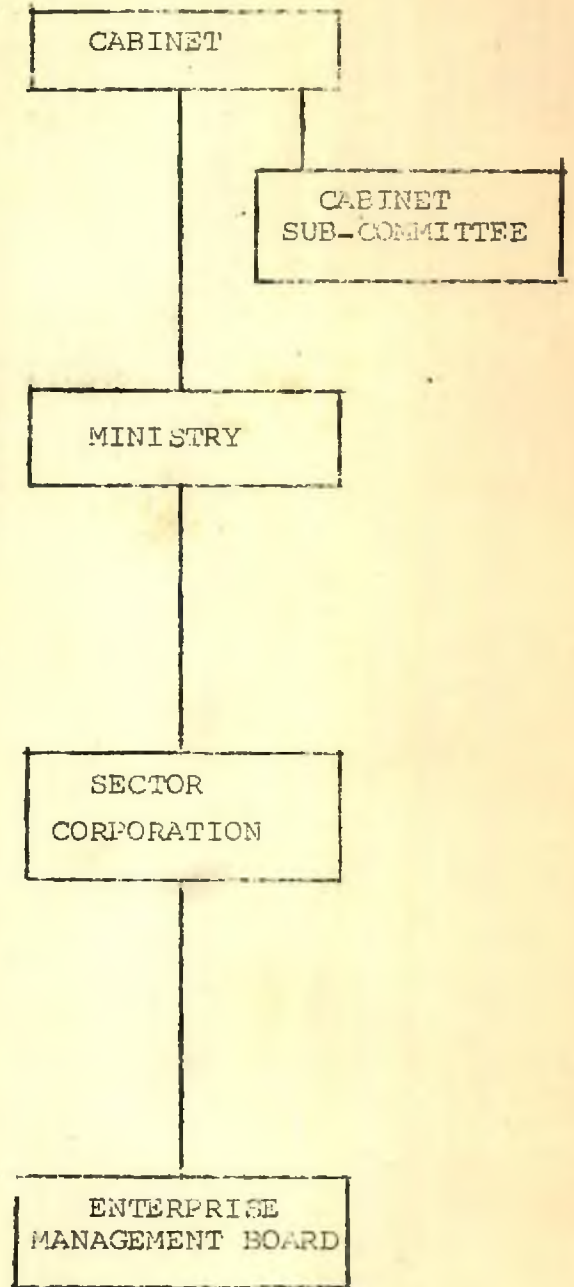
Major policy matter of national character.

Policy and financial matter of technical nature.

Administrative, financial and controlling policy matters.

Planning, development and implementation of development policy, target budget, optimum production, control and guide the enterprises.

Implement decisions-achieve best use of assets and optimum production. Implement development plan - Ensure industrial peace - maintenance of books of accounts.



The ILO Mission submitted its report to the government in due time. Furthermore, a tripartite delegation consisting of representatives of trade union, management and government under the leadership of the Secretary, Ministry of Labour, visited Federal Republic of Germany, in 1974 to make an on-the-spot study of the system of workers' participation in that country. A very senior officer of the Ministry of Labour has more than once undertaken extensive study tours to a number of European countries to study the system. A series of seminars including a study tour were organised jointly by ILO and NORAD in the same connection. But these discussions failed to draw any conclusions of general character.

✓ In December, 1975 the Industrial Relations Ordinance, 1969 was amended where it was shown that every enterprise should constitute a Consultative Committee which should consist of equal number of representatives of workers and employers to examine workers' grievances and suggest measures for redressing such grievances. It is of relevance here to note that the Ordinance of 1969 renamed the Works Committee as the Works Council which had to perform the functions of the Works Committee. This Ordinance also made provisions for the establishment of a Joint Consultation Committee in the Industrial enterprises for production, housing, safety, recreation, etc.

The concept of the workers' participation once again caught attention of the Government in 1977 when President Ziaur Rahman while announcing the 19-point Programme over radio and television on 1st May, said that the issue of workers' participation in the management boards of enterprises under the

corporations and in different floor managements was under the active consideration of the government. The Industrial Relations Rules, 1977 detailed out the constitution of Works Council in the industrial enterprises. According to the Rules, the number of members constituting the works council shall not be less than 10 and not more than 20 and shall be so fixed by the employer in consultation with the collective bargaining agent as to afford representation to the various categories, groups and classes of workmen engaged in, and to the section, shops or departments of the establishment. The President shall be nominated by the employer from amongst the employer's representatives on the council. The workers' representatives shall elect the VP and one Joint Secretary from amongst themselves. The term of office of the Works Council shall be two years from the date of its constitution and the Works Council may meet as often as necessary but not less than once a month.

The Industrial Relations (Amendment) Act, 1980 further provides for the formation of "Participation Committee", instead of Works Councils as was provided for in the Industrial Relations Ordinance, 1969, in any establishment in which 50 or more workmen are employed, consisting of representatives of the employer and the workmen so however that the representatives of the workmen is not less than the number of the representatives of the employer in the Participation Committee. The Committee shall meet at least once in every two months to discuss and exchange views and recommend measures for performance of the functions of the Committee. The Act provides for the submission of the proceedings of every meeting of the Participation Committee to the Director of Labour and the Conciliator within seven days of the date of the meeting.

The functions of the Participation Committee are to inculcate and develop a sense of belonging and workers' commitment and in particular:

- a) to endeavour to promote mutual trust, understanding and cooperation between the employer and the workmen;
- b) to ensure application of labour laws;
- c) to foster a sense of discipline and to improve and maintain safety, occupational health and working condition;
- d) to encourage vocational training, workers' education and family welfare training;
- e) to adopt measures for improvement of welfare services for the workers and their families;
- f) to fulfil production target, reduce production cost and wastes and raise quality of products.²¹

The Labour Policy of 1980 also upholds the philosophy of workers' participation in the enterprises. The Policy states that the government will encourage effective participation of the workers (to be nominated at various levels by the collective bargaining agents) in such matters as (a) application of labour laws; (b) improvement of working environment and safety, (c) adoption of welfare programmes for the workers, (d) fulfilment of production target, (e) reduction of production cost and wastage, and (f) education and training of workers.

4.2.2 Statutory Basis for Introducing Workers' Participation in Bangladesh

A relevant question which may often be asked is whether workers' participation should be introduced by way of legislation or by agreement between the parties. Whether a country opts for legislation or agreement as a means to bring about workers' participation is, of course, a choice which will have to be made in accordance with the practice and traditions of the country concerned.²² There are many countries²³ in which by tradition, the law plays a central role in industrial relations. This is not always explainable by rational reasons. In a general way the need to choose between collective bargaining and legislation as possible instruments for introducing workers' participation needs two qualifications: Firstly, the choice between the two methods will be largely determined by the types of workers' participation arrangements one has in mind. As regards machinery with primarily consultative and advisory functions, it is easy to conceive of establishing works councils or similar bodies on a voluntary agreed basis. However, it would hardly be conceivable to introduce workers' representation on management boards or supervisory boards without having recourse to law. Secondly, the possibility of leaving the introduction of workers' participation schemes to the initiative and agreement of the parties presupposes the existence of organisations of employers and workers of approximately equal strength and a long tradition in the habit of collective dealings. Clearly, these conditions are not met in many of the developing countries like Bangladesh. In the developing countries the government plays the strongest

establish a socialist economic system²⁷ has been dropped after the coup of August 15, 1975. Of even greater interest is that even when the establishment of a socialist economic system was a constitutionally declared principle of the state policy, nothing of a specific nature was in the constitution, which could have direct implications for workers' participation in the management of the enterprises where they work. Beyond the constitutional provisions in the field of laws and ordinances which determine the institutional framework for labour-management relation the picture is even at present equally discouraging. A brief but systematic presentation of the relevant laws and ordinances in the field is made below which justify the observation.

The Industrial Relations Ordinance, 1969 (amended in 1975,¹⁹⁷⁷ and again in 1980) is one of the main statutes governing labour management relations in Bangladesh. It is equally applicable to both the public and private sector establishments and industries (with a few exceptions). The whole procedural framework as envisaged in the Industrial Relations Ordinance reflects a traditional approach towards labour disputes, and consists of nothing of relevance to workers' participation in management. The Employment of Labour (Standing Orders) Act, 1965, The Factories Act, 1965, the Shops and Establishments Act, 1965, the Minimum Wages Ordinance, 1962, The Payment of Wages Act, 1936 and the Maternity Benefits (Tea Estates) Act, 1950 all deal with conditions of work and terms of employment practices. Again, wages are fixed in the private sector through Minimum Wages Board established under the Minimum Wages Ordinance, 1961 as well as through collective bargaining under provisions of the

IRO. In the public sector, however, wages have been fixed through the machineries of the National Pay Commission and the Industrial Workers' Wages Commission (IWWC). The State Owned Manufacturing Industries Workers (Terms and Conditions of Service) Act, 1974 gives effect to the recommendations of IWWC so far accepted by the Government. According to this Act the government will determine the wages, bonus, medical allowance, house rent allowance, conveyance allowance, and leave which will be payable or admissible to any worker employed in any state-owned manufacturing industry.

Needless to say, in both private and public sector these vital things are related with the actual working of the enterprises and the ultimate welfare of the workers are outside the joint control of a worked-out labour-management decision-making entity within a developed system where participatory management involving the workers is practised. Actually the situation is such that while the workers in private enterprises legally retain some of their collective bargaining rights in such fields as wages, bonus, leave etc., the collective bargaining in the public enterprises is recognised to a very limited extent. Legal basis for workers' participation in taking decision on these matters does not naturally exist. As is evident from a discussion of the labour laws now in force in Bangladesh, the legal framework as enunciated by the labour laws provides for a limited opportunity for the labour to participate in management.

ILO Conventions and Workers' Participation

The ILO Conventions which have been ratified by Bangladesh may be considered to be of relevance to workers' participation. The Conventions ratified having relevance to participation are:

- No. 87 (Freedom of Association)
- No. 98 (Collective Bargaining)²⁸

But there are certain other Conventions which are very much relevant to workers' participation but not ratified by Bangladesh

- No. 135 (Workers' Representatives)
- No. 144 (Tripartite Consultation)
- No. 151 (Labour Relations Public Policy)

Ratification of these conventions are important if the Government sincerely wants participative management in industry.

But the responsibility of employers and workers' organisations does not end with ratification, which is but only the beginning of a progressive policy. The organisations should see to it that the spirit of the conventions is observed by all sides (Wehmhoerner, 1979: 12).

4.3 An Experiment in the Cotton Textile Industry

Background:

At the behest of the Ministries of Labour and Industries the sector corporations went ahead in the end of 1976 towards the formation of certain participative forums. But virtually only one Corporation could, in the long-run, introduce the participative schemes in the enterprises under its control - this was the Bangladesh Textile Mills Corporation. The most important body in this regard was the Vigilance Committee (VC) at the

enterprise level. The objectives of the VC were: (a) to ensure proper utilisation of existing resources, (b) to take effective measures against all types of indiscipline in the mills and (c) to maintain unhampered production at the enterprises.

In the later half of 1976 Bangladesh Textile Mills Corporation (BTMC) issued, for the first time, a circular to the mills under its control where the authorities were instructed to form some kinds of committees for encouraging workers' participation in management.²⁹ The circular was issued in the name of the Director (Personnel) which ran as follows:

"Sub: Labour Management Relations:

It is being observed that gap in understanding between the trade unions and the respective managements of mills is gradually widening to the detriment of overall cordial relationship between the two most important factors of production namely the management and the workers. Apart from the fact that inter-union and intra-union rivalry is much more responsible for drifting away the workers from their role in and responsibility towards the increase in production as co-partners in the enterprise in the interest of both the parties. It is also true that there is lack of initiative from the side of the management to attract the trade unions or for that matter the workers towards their role as a factor of production and in winning their goodwill and confidence while appreciating the difficulties and limitation of the Managers in meeting with the material demands of the workers which are confined within the limits of the awards of the Industrial Workers Wages Commission and also the decision of the government decisions are not properly explained to the workers and their

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trade unions thereby creating a sort of communication gap between the parties. This in its turn gives rise to misgivings and misunderstandings in the minds of workers who feel that they are being ignored and neglected.

In view of the above it has been decided by the corporation to draw the attention of the Chief Executives of the Mills and to urge upon them to take special care for creation of harmonious and cordial relationship by maintaining constant touch with the workers through their authorised agents, i.e., unions. Though for the purpose of negotiations in respect of demand of workers the Executive Heads will deal only with the Collective Bargaining Agent, the rationale of the government/corporation orders and decisions should be explained to the office-bearers of all the registered unions and to individual workers whenever possible. It is also enjoined that even when there is no apparent dispute the heads of mills should make it a point to sit with the representatives of workers once or twice in a month on previously fixed dates and discuss any matter that may be considered to be of common interest. All opportunities should be afforded to the representatives of workers to ventilate the grievances/view-points of the workers in respect of any matters. Proceedings of such regular sittings together with comments of the heads of mills should be sent to the General Manager (Employee Relations) with copy to Director (Personnel) and Chairman of the Corporation.

The above instructions should be meticulously followed.

Director (Personnel)"

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The Deputy Secretary of BTMC sent an express telegram on 30th December, 1976 to all the heads of the Mills/Projects under its control directing them to constitute "VIGILANCE COMMITTEE" (VC) for the respective units by the 31st December, 1976. Guidelines for the constitution of the Committee were also given in the telegram. According to the guidelines the Chief of the Mills would be the convener of the VC and one senior most officer each from 'Administration', 'Technical', 'Accounts' and two representatives from the workers would act as members. The purpose of the Committee was, as explained in the telegram, to (a) ensure proper utilisation of existing resources, (b) take effective measures against all types of indiscipline in the mills and (c) maintain unhampered production.

The Mills did not actually pay any heed to the directions of the Corporation except a very few ones. The mills did not form any Committee, or if formed, did not send compliance reports to the Corporation. The Manager of Employee Relations of the BTMC then issued another circular to be distributed to the heads of the mills where the latter ^{were} directed to follow the instructions meticulously and submit monthly reports/proceedings of the meetings of the VC together with their comments. The heads of the mills were also threatened in the circular that if they failed to follow the above instructions their names would be brought to the notice of the higher authorities.³⁰

Still then the results of the circular were not encouraging. BTMC issued another three circulars to the mills on January 22, February 12 and 15, 1977. By this time about 26 mills complied with the directions of the corporation and sent their

monthly reports of the meetings, held in the month of February, 1977. These mills were regularly sending their monthly reports. The defaulting mills were again directed to form the Vigilance Committee in a circular issued on June 10, 1977, after which the Corporation did not issue any circular in this regard. After taking over charge of the Ministry of Textiles as an Advisor to the President of the Peoples' Republic of Bangladesh with the rank of a Cabinet Minister by Professor Muzaffer Ahmad, a conference of the Chief Executives of the Textile Mills and the Senior Executives of the Corporation was called to deliberate on all aspects of the management problems and here Professor Ahmad tried to define the approach of participative management. He asked the Bangladesh Textile Mills Corporation to introduce workers' participation in management. Prof. Ahmad (1977) observed in his study that, of the 49 units only in 5 units some attempts were made to form shop floor committees, while in all others especially in fifteen of the units there were factory level committees (these were named as Vigilance Committees). The committees, however, ceased functioning from the end of 1978, particularly after the Minister concerned left the Ministry of Textiles.³¹

An Evaluation of the Experiment

With a view to making an evaluation of the functioning of the VC the author of the present study (see Mannan, 1979b) made an attempt to conduct a case study in a leading cotton textile mill under BTMC, located in Dacca. Below ~~are~~ produced the main findings of the study:³²

Vigilance Committee was introduced in the textile mills in the public sector under administrative orders of BTMC. The size of the committee did not depend upon the nature of the undertaking or the volume of employment - it was determined by the Corporation. VC consisted of seven members, 4 from management and 3 from the employees. This size in the mill under study seems to be small in relation to the number of workers. Equity in representation was not maintained. The Chief Executive, Administrative Manager, Production Manager and the Chief Accountant represented management. The representatives of the workers were nominated by the Collective Bargaining Agent - two representatives from the workers' union and one from the staff union. The chief executive of the mill was permanently the Chairman of the the Vigilance Committee. Our case study revealed that monthly meetings were held regularly for the first few months and thereafter the committee met four times a month but submitted a composite monthly reports to the Corporations. The average attendance at the meetings was 82.5%. The average attendance of management was smaller than that of the workers. The meetings were held in between the first and second shifts to keep the normal duties of the representatives undisturbed.

The average frequency of the activity per meeting was 2.82 excluding repetitions and 4.0 including the repetitions. Considering the difficulties involved in the preliminary stages the performance did not seem to be discouraging. The committee had to face problems relating to production, personnel policy, safety, welfare, grievances and complaints. Data showed that the mill was not credited with improved methods of production or provision of sufficient welfare facilities nor it was endowed with good personnel management.

Workers' representatives raised 55.55 per cent of the total issues, while the management representatives raised 29.7 per cent. The committee did not show a cooperative spirit regarding the problems raised and discussed in its meeting.

The Committee had actually nothing to do with reduction of absenteeism or prevention of accidents. In the absence of definite and reliable quantitative analyses, the assessment of the committee's impact on industrial relations - indicated by the number of matters mutually settled - could at best be a guess-work. A good relation existed between labour and management as a whole.

Although the committee met quite regularly kept proceedings of the meetings and discussed operational problems as well as grievances, the nature of the meetings was generally consultative in nature. The union officials were not generally happy as they thought that management still dominated and that they rarely found a solution of their liking.

FOOTNOTES

¹The existing labour laws mainly apply to workers employed in (a) factories where manufacturing process is carried on employing workers using mechanical power, (b) Mines, (c) Railways, (d) Shops and Establishments, both commercial and industrial, (e) Inland Steamers, (f) Sea-going vessels, (g) Docks and ports, and (h) Plantation workers.

²Labour Policy, 1955. This Policy statement was never implemented mainly because it was never accepted by the many different governmental departments which were directly or indirectly involved. The leftist trade union leaders, however, maintained that it was announced to bluff the workers and the Muslim League Govt. had never intended to do anything for workers except saying sweet words, as that organisation was wholly dependent on the industrialists for its survival.

³See for details, K. Ahmad (1978), pp. 66-67.

- ⁴Labour Policy, 1959.
- ⁵The East Pakistan Trade Union (Recognition) Ordinance, promulgated on the 27th of January 1958, was applicable only in East Pakistan (now Bangladesh) and provided for the recognition of registered trade union. This Ordinance was in addition to and not in derogation of the provisions of the Trade Union Act, 1926.
- ⁶Vide Labour Policy, 1969.
- ⁷Vide Labour Policy, 1972.
- ⁸Vide Labour Policy, 1980.
- ⁹Industrial dispute (or labour dispute) means any dispute or difference between employers and employers or between employers and workers, or between workers and workers which is connected with the employment or non-employment or the terms of employment or with the conditions of work of any person.
- ¹⁰For complete text of the Industrial Disputes Act, 1947, see Mathrubutham and Srinivasan, Indian Factories and Labour Manual. Madras, 1952, pp. 647-82.
- ¹¹The Industrial Dispute (Amendment) Act, 1956 was promulgated after the exit of Dr. A.M. Malik as the Labour Minister. The most important feature of this Act was the incorporation of Section 33-A. This Section provided that where an employer contravened the provisions of Section 33, the employee aggrieved by such contravention may make a complaint in writing to the Board or Tribunal as the case may be which shall adjudicate upon the complaint.
- ¹²The main provisions of the Industrial Disputes (Amendment) Act, 1957 was the substitution of Sub-Section I of Section 20 of the Act dealing with commencement of conciliation proceedings.
- ¹³The Industrial Disputes Ordinance, 1959 was amended twice in 1961 and 1962. Under the Constitution of 1962, labour became by and large a provincial subject and consequently a new Act, namely, East Pakistan Labour Disputes Act, 1965, came into being. In 1969 the Industrial Relations Ordinance was promulgated repealing the East Pakistan Trade Unions Act, 1965, East Pakistan Labour Disputes Act 1965, West Pakistan Industrial Disputes Ordinance, 1968 and West Pakistan Trade Unions Ordinance, 1968. This Ordinance was made to amend and consolidate the law relating to the formation of trade unions. The regulation of relations between employers and workmen and the avoidance and settlement of any differences or disputes arising between them. The 1969 Ordinance was further amended in 1975, 1977 and 1980 by the Government of Bangladesh.

- ¹⁴Section 2(f) of the Bangladesh Factories Act, 1965.
- ¹⁵The statistics in this section have been taken from S.M.A. Hafiz, "Labour Laws relating to working conditions", Bangladesh Labour Journal, Dacca, 1977: 10-14.
- ¹⁶According to the Constitution, "A socialist economic system shall be established with a view to ensuring the attainment of a just and egalitarian society, free from exploitation of man by man." Vide Article 10, part II.
- ¹⁷See, for reference, Government of Bangladesh (Ministry of Industry), Participation in Management (mimeo), NID, 1972.
- ¹⁸Abul Hasnath (Additional Director of Labour), "Joint Consultation and Workers' Participation in the Management", Bangladesh Labour Journal, 1977, p. 16.
- ¹⁹Vide the Bangladesh Labour Journal, Department of Labour, Government of the Peoples' Republic of Bangladesh, Vol. 4, 1977, p. 3.
- ²⁰Government of the Peoples' Republic of Bangladesh (Ministry of Health, Population Control, Labour and Social Welfare), Industrial Relations Rules, 1977, p. 8-10.
- ²¹Vide Act No. XXIX of 1980, published in the Bangladesh Gazette, Extra-ordinary, 26th July, 1980.
- ²²In the Scandinavian countries with their very long tradition of basic agreements between central employers' and workers' organisations, the traditional approach is collective bargaining. Agreements have been characteristic features of Scandinavian industrial relations long before the idea of workers participation became a topical issue. Some other countries like USA, UK, Canada, etc. are also reluctant to legislate on workers' participation in the form of works councils and they prefer to leave this matter to voluntary agreements.
- ²³Such as, FRG, Austria, Belgium, France, The Netherlands, etc.
- ²⁴The Constitution of Bangladesh: Article 14, Part II.
- ²⁵Prea ~~the~~ to the Constitution of Bangladesh.
- ²⁶The Constitution of Bangladesh: Article 10, Part II.
- ²⁷Ibid. Article 20(I) and 20(2), Part II.

- ²⁸ Only 23 ILO Conventions have been ratified by Bangladesh. They are Convention Nos. 1, 4, 6, 11, 14, 15, 16, 18, 19, 21, 22, 27, 29, 32, 45, 59, 80, 81, 87, 89, 90, 96 and 98.
- ²⁹ BTMC Circular No. ERD/TMC/Misc-II/461, dated October 4, 1976.
- ³⁰ Circular No. ERD/TMC/Misc-I/862, dated January 3, 1977.
- ³¹ The reasons for the abandonment of the scheme could not be ascertained. But from personal talks with the BTMC officials concerned and some mill managements the reasons seemed to be the lack of interest in such committees both by management and workers, indifference of the BTMC authority, absence of legislative compulsion and, above all, the leaving of the Minister concerned who virtually activated the scheme through his personal initiatives. One Mill Manager observed, "Since the Minister is not here, so we are also not here to continue the Vigilance Committee which was virtually his own creation".
- ³² The other committees were, though not that much significant, are the Provident Fund Committee and the Fire and Accident Committee. The PFC, having equal representation from the workers and the management, is charged with the administration of the provident fund on behalf of the workers. It meets once monthly. The FAC, having two representatives each from workers and management, is concerned specifically with the prevention of fire and industrial accidents. Of all the three committees, the VC is undoubtedly the most important in terms of the exercise of executive functions. It is also, therefore, the one where the greatest potential for intra-committee divergence of interests exists. Hence the study was confined only to the Vigilance Committee.

PART II

PRESENT STUDY

CHAPTER FIVE

OBJECTIVES AND
METHODOLOGY

5.1. The Context

The participation of workers in managerial decision-making within undertaking is not now an academic issue, which could be forgotten, rather it has already taken the colour of a social and political issue in different nations, both within and outside the Asian region. Bangladesh is no exception to this. The idea of 'workers' participation' has been debated many times in the political level and the government has been encouraged to legislate it, but no concrete results came out except the recognition of the idea in the relevant labour laws and the latest labour policy. Bangladesh government today perceives workers' participation in the management of enterprises as an administrative process to limit labour dissent.

The review of literature and the evaluation of the cross-national experiences in the previous chapters have shown that demand is emanating from diverse sources within society for workers participation in management. As Towers (1973) has observed: "Over the last fifty years powerful socio-cultural, political and industrial pressures have coalesced to articulate themselves into a widespread demand for greater participation and democratization". On the contrary despite the pressures being faced by work organisations to drastically increase the extent to which their employees are allowed to participate in decision-making at all levels, there are still quite a few persons who believe that participation is not actually desired by most employees (see Haire et. al., 1966; Guest and Fatchett, 1974). Derber (1970) also noticed lack of evidence of widespread or intense worker interest in participation in management decision-

making, even at the shop or departmental level. The present study, which is a mono-cultural investigation of, inter-alia, workers' attitudes towards participation, is partly an attempt to throw light on this contention.

Despite the importance of the issue very little research has been done in Bangladesh into the question of how much participation is desired by industrial workers as well as how the managerial people view the dynamics of participation. This is an important gap in our knowledge, for at least three reasons. First, in the absence of clear evidence that majority of workers are strongly in favour of participation in managerial decision-making it is unlikely that government will pass legislation compelling enterprises to introduce and implement participative schemes. Secondly, managers are, in the absence of statutory compulsion or demand from their workers, unlikely to voluntarily divest of their decision-making power which is their jealously-guarded prerogatives. Thirdly, unless the government knows clearly the attitudes of managerial personnel towards workers participation, it will be in a puzzle to frame suitable guidelines for the formation and development of participative forums. It was also considered important to know the attitudes of government toward participation as a whole compared with that of the other two actors in the industrial relations system.

The present study was undertaken against this background.

5.2 Objectives of the Study

The present study was centred around the following objectives with certain specific queries:

1. How far a background for participative management has been created through the nationalisation of industries as perceived by the actors, i.e., workers, management and the government?
2. What are the attitudes of workers and management toward industrial relations? A study of the attitudes of these two parties is important to find a common platform to iron out their common disparities and to develop better mutual understanding and relations.
3. What kind of managerial leadership does prevail in the organisation? The styles of executive leadership not only affect organisational climate, it also exerts a direct influence on the potentiality of workers participation.
4. How much is the existing organisational climate conducive to participative management?
5. How does each of the actors in the industrial relations system conceive the term workers' participation in management?
6. What are the major objectives of participative management as viewed by the different actors?

7. What is the existing and desired degree of workers' influence in different decisions at various levels, in other words, the relationship between the amount of participation that they should have and the amount they perceive they do have in a variety of areas? And, in what way workers should be involved in decision-making areas?
8. What are the desired forms of participative management as expressed by the actors?
9. What is the image of the possible effect of participation as perceived by each of the actors?
10. How do workers and management perceive the impact of the Government's policy on participation? How do they view the government's intention?
11. What should be the statutory status of participative schemes as expressed by the actors? Should participation be statutory or voluntary?
12. What are the essential pre-conditions for successful implementation of participative schemes as desired by the actors?
13. In the light of views expressed by the actors, what is the future prospect of participation in the industrial enterprises?

5.3 Method and Procedure

5.3.1 Research Approach:

The study is based on:

- i) Literature survey to review the experiences in participation abroad and in Bangladesh;
- ii) Survey of labour legislations and labour policies currently in force in Bangladesh to trace the history and present state of participation in Bangladesh;
- iii) Field study conducted in a large industrial undertaking under the public sector, in Bangladesh, adopting questionnaire survey method. The study was carried out in a company representing one plant of one of the leading and oldest manufacturers of jute products in Bangladesh. One plant was studied in order to eliminate inter-plant variance.

5.3.2 The Questionnaire: Development and Administration:

Based on the informal interviews with management personnel and general workers at the plant level, scrutiny of available job descriptions and survey of literature three sets of questionnaires, one for management, one for workers and one for government officials - were developed tentatively and pre-tested with management personnel and workers in the plant where final survey was conducted. After the pre-test those questions which had poor spread of responses or which the respondents felt difficult to understand or which were considered by them to be inappropriate were either modified or altogether rejected.

Expert advice was also solicited before finalisation of the questionnaire which was then administered to the samples.

The survey was conducted by means of two instruments: questionnaire and interviews. In the case of all the three groups of samples, the questionnaire was submitted simultaneously at the time of interviews. Since our questionnaire was a fully 'structured' one for all groups, we planned to conduct open-ended unstructured interviews to allow the respondents to elaborate further on their attitudes towards participation and other related issues. Because of the illiteracy of the common workers the questions were elaborately explained to them in their vernacular. The questionnaires were, however, administered to the other two groups in English. In case any respondent felt difficulty in understanding a particular item or point, it was clarified by the researcher at the time of personal interview.

5.3.3 Features of the Questionnaires:

A total of twelve areas was identified for study.

They were as follows:

- Area-I: Nationalisation of industries
- Area-II: Industrial relations
- Area-III: Styles of leadership
- Area-IV: Meaning of participation
- Area-V: Objectives of participation
- Area-VI: Forms of participation
- Area-VII: Effects of participation
- Area-VIII: Legal basis for participation
- Area-IX: Government policy and participative management.
- Area-X: Measure of participation characteristics

Area-XI: Workers' influence in decision-making process

Area-XIA: Mode of participation/involvement

Area-XII: Preconditions for successful participation

All of the areas comprised of certain statements or forced-choice items except Area-VI (forms of participation) where the subjects were asked to rank the items according to their preference. Certain areas (I, III, X, XI) were selected to obtain information for both 'actual' and 'desired' situations. In these areas the statements were accompanied by two 5-point Likert-type scales - ACTUAL and DESIRED. The former ranged from "strongly disagree" (score 1) to "Strongly agree" (score 5) and the latter from "not important" (score 1) to "essential" (score 5). On each statement a subject was asked to give two answers: one on the basis of existing situation and the other on the basis of "how important do you think each item to be". The remaining areas were designed to elicit either the perceived or the desired opinions of the respondents along a 5-point scale (score assigned as 1 to 5 in an ascending order).

All the areas described above except Area-III were the contents of the 'questionnaire for the workers'. The "questionnaire for the management personnel" contained all the twelve areas while the "questionnaire for the government officials" contained only seven areas (namely, Area-I, Area-IV, Area-V, Area-VI, Area-VII, Area-VIII and Area-XII).

5.3.4 Workers' Influence in Decision-Making: Some Clarity:

The responses of workers and management personnel ^{to} different levels and forms of participation were assessed by a specially designed questionnaire for Area-XI and Area-XIA con-

sisting of a total of 21 items, each covering a particular decision area. Depending upon the level of management where these decisions are taken and the specific nature of the decision items, the 21 decision items were classified into five categories: (a) distant level participation issue, (b) medium level participation issue, (c) local level participation issue, (d) all-level cooperation issue (i.e., issues which require cooperation at all level both from management and workers) and (e) bonus issue. These labels have been adopted from Hespe and Wall (1976), Wall and Lischeron (1977) and Sahu (1981). Certain modifications in the decision items were, however, made so as to suit the local conditions in Bangladeshi industries.

It is necessary to clarify the meaning of the different levels identified. Distant level participation refers to the participation of workers in the decisions which are taken at the highest level of the organisational hierarchy having far-reaching implications on the organisation as a whole, thus affecting everyone within the organisation. Distant level participation issues include (D1) formulation of overall organisational policy and their implementation, (D2) formulation of marketing policy, (D3) operation of sanctioned budget, (D4) allocation of profits between investments, dividends and reserves, (D5) expansion and diversification of business and (D6) formulation of recruitment policy of executives/officers.

Medium level participation refers to the decision-making at the middle level of the organisational hierarchy generally dominated by the middle-managers.¹ Medium level decision-making typically affects the whole department and provides the

framework within which lower-level decisions are made. In this level are included (M1) formulation of recruitment policy of workers, (M2) development of training programmes for the workers, (M3) formulation of promotion policy for workers, (M4) principle of taking disciplinary action, (M5) formulation of policy for pay/allowances and other fringe benefits for workers, (M6) practice for handling grievances of workers and (M7) policy for rewarding workers for good work.

When workers take part in decision-making at the lowest levels of the organisational hierarchy, local-level participation occurs. Local level decision-making does not have wider relevance within the organisation as a whole, rather concentrates on day-to-day problems having immediate relevance to the workers' own job. In this level are included the decisions about (L1) arrangement for workers' housing, (L2) determining workers' welfare programmes, (L3) maintaining good working conditions, (L4) provision for safety measures, and (L5) one's work.

There are certain issues in the organisation which require cooperation of both workers and management at all levels, such as introduction of new technology and increasing productivity. Decision-making on these issues has been labelled as 'all-level cooperation issues'. Bonus issue has been separately dealt with because of its special importance in the context of industrial environment in Bangladesh.

To each item the subjects gave three responses indicating (a) the amount of influence which they felt they naturally possessed (perceived influence), (b) the amount of influence they felt they should have (desired influence) and (c) the way in which

they felt they should exert such influence (mode of participation). The amounts of perceived and desired influence for each decision were indicated on five-point scale.

5.3.5 Mode of Participation:

The mode of influence desired at each level was measured by a short scale which required the subjects to indicate which of the following five alternative ways of participating they preferred for the various decisions at each level: (i) information sharing, (ii) joint consultation between workers and management, (iii) collective bargaining, (iv) joint decision-making, and (v) this is a management prerogative.

This terminology has been used to obtain the respondents' views with regard to the desired mode of workers' involvement/participation in the decision-making process in each of the 21 items. It should be mentioned here that collective bargaining has been incorporated as one of the alternatives because of the fact that workers also influence the managerial decisions through collective bargaining at least with regard to their interest related items. Schregle (1976) has also indicated that through collective bargaining mechanism workers exert influence in different organisational decisions.²

5.3.6 Forms of Participation:

In this study we have classified workers' participation broadly into two categories: Informal Participation and Formal Participation. Informal participation includes personal talks with the supervisor at the workplace, job enlargement and job enrichment, job redesign, participative supervisory style etc. On the other hand, five types of formal participation were

given separately as outlined below:

- i) Having worker directors in the Board of Directors (minority or parity).
- ii) Workers' having share in the ownership and representing in the Board.
- iii) Having workers' representatives in different joint committees.
- iv) Suggestion system only.
- v) Extending collective bargaining to cover the decision-making process.
- vi) Informal participation at work place.

The subjects in all the three groups, i.e., workers, management and government officials were asked to rank the various forms of participation in order of their preference.

5.3.7 The Selection of Samples:

Workers - A total of one hundred and eight workers, out of a workforce of eight thousand and four in twelve departments, were selected randomly. First a workers' list was prepared department-wise, dividing them into skilled and unskilled workers. The size of the sample from each was determined proportionately on the basis of the total workforce working in each department excluding 'badli' workers (casual and temporary workers employed on hourly-rate basis from the 'callers at the gate' to temporarily replace absentee workers or leave-enjoyers). The number of workers thus decided was equally divided into skilled and unskilled workers who were then selected randomly by the help of a Random Number Table prepared by Kendall and Smith (1953).

Management Personnel - A total of sixty managerial people including supervisors, were selected. Care was taken so as to include in the sample management personnel of all important functions at different hierarchies.

Government Officials - Thirteen government officials employed in the Department of Labour, Ministry of Labour, and the Nationalised Industries Division (NID), Ministry of Industries, could be contacted for personal interviews. The author tried to increase the size of the sample in this group but failed to do so mainly because of the unwillingness of many government officials to be interviewed; these people also did not agree to fill-up the questionnaire. Others who did it did so anonymously. The government officials who filled up the questionnaire and agreed to be personally interviewed were holding senior positions in their respective offices.

5.3.8 Processing the Data:

After collecting the data from all the three groups of our respondents, Likert's attitude scoring method was used for compiling and computing the data. Each stimulus item in the questionnaires was followed by five responses, in each case of "Actual" indicating degree of strength of attitude, such as, (01) strongly disagree, (02) disagree, (03) undecided, (04) agree and (05) strongly agree; and also five responses in case of "Desired" indicating degree of strength of desire, such as, (01) not important, (02) less important or of little importance, (03) quite important, (04) very important and (05) essential. The stimulus items for only desired opinions were also assigned scoring weights in the above manner in ascending order (negative to positive responses).

Use of Computer:

After establishing the scoring weights for all the statements in the questionnaire, the data were processed with the aid of a computer and prepared for analysis and interpretation. With the help of Fortran Programme, Means, Standard Deviations and Standard Errors were computed for each item. The means of "Actual" were computed to find out the average attitude of the subjects as regards existing situations as described in each statement. The means of "Desired" were computed to find out the average desire of the subjects as regards each statement. Standard deviations of "Actual" and "Desired" of each statement were obtained to find out the normal attitude of the subjects and their normal desire as regards on-the-job conditions or otherwise as stated in each statement. Standard errors were computed in order to find out the range of variation of the mean "Actual" and mean "Desired" of each statement.

The Computer Programme "Statistical System Analysis" was used with separately punched cards to compute correlations with a view to find out the relationships between "Actual" and "Desired", of each Area, between the "Actual" of one area with the "Actual" of each other areas, and between "Desired" of one area and "Desired" of each other areas. Correlations were also computed between the background information of the subjects like age, education, income, experience etc. and both "Actual" and "Desired" scores of each area. With the same cards factor analysis was also carried out but this has not been used in the thesis as it was deemed to be of negligible importance for ultimate analysis.

5.4 A Brief Description of the Organisation Studied

Madhumita Jute Mills Ltd. (MJM)³ is the pioneer and the biggest jute mill of Bangladesh producing 'hessian', 'sacking cloth and bags', and 'laminated bags' for the buyers coming from all over the world.

The mill is situated on the bank of the river Sitelakhya comprising 300 acres of land. It is eleven miles south-east of Dacca, the Metropolis of Bangladesh. MJM has the largest number of industrial workers. Total strength of employees is 25,000 (approx.)⁴. Madhumita Jute Mills Complex comprises of three big mills, one broadloom unit, one cotton bagging unit, one lamination unit and four soft soap plant workshops. The total jute goods production capacity per day of the MJM Complex is as follows:

Hessian	116 tons
Sacking	132 "
Carpet Backing	24 "
Cotton Bagging	16 "
Total	<u>288 tons</u>

85% of the products are exported. Main buying countries are: Argentina, Australia, Algeria, Bulgaria, Belgium, Canada, Ceylon, Chili, China, Cuba, East Africa, Egypt, France, G.D.R., Hungary, Holland, Hongkong, Indonesia, Iraq, Iran, Italy, Japan, Malayasia, Middle East, Mombassa, Mozambique, Newzealand, Pakistan, Philliphines, Portugal, Rumania, S. America, Singapore, Sudan, Sweden, Syria, U.S.S.R., West Germany, Yugoslavia.⁵

5.4.1 Organisation:

The organisation of the MJM is divided into broadly 20 departments under the Executive Director: Production, Planning, Administration, Marketing (Sales), Marketing (Exports), Personnel, Labour, Engineering, Security, Workshops, Training, Quality Control, Stores, Finance, Costing, Purchase, Jute, Computer, Insurance, and Accounts.

5.4.2 Management:

Prior to the independence of Bangladesh, Modhumita Group of Industries was managed by the then non-Bengalee owners (family centred) headed by the Managing Director. After the independence, this industrial complex has been nationalised under the Presidential Order No. 27 of the 26th March, 1972. Because of its huge complex the mill has been given operational autonomy under a Board of Director which worked on general policy guidance from the Bangladesh Jute Mills Corporation and the Ministry of Jute. Prior to 1977, the Chairman of the Board was the General Manager of the MJM with members stated under:

1. Manager (Finance) - Member
2. General Manager,
Dacca Zone-1 (BJMC) - "
3. Dy. General Manager - "
Rupali Bank (Lead Bank)

But in the year 1977, the above Board was dissolved and a Board of Directors replaced the same. The new Board of Directors constitute as follows:

- | | |
|--|----------|
| 1. Chairman of the Bangladesh Jute Mills Corporation | Chairman |
| 2. General Manager
Adamjee Zone | Director |
| 3. Director (PP), BJMC | " |

4.	Joint Secretary Ministry of Jute	Director
5.	Deputy Secretary (External Finance) Ministry of Finance	"
6.	Deputy General Manager Rupali Bank, Dacca	"
7.	Manager (Finance) Adamjee Zone	"

The Executive Director with the assistance of a General Manager and the mill managers operates the functional management of this huge complex.

5.4.3 Organisation Structure of the Unit Studied:

For the purpose of our study we have selected one of the big mills of the Modhumita Jute Mills Complex, which employs 8,000⁴ workers⁶ in twelve divisions/departments such as Jute Batching, Preparing, Spinning, Winding, Boaming, Weaving (Hessian), Weaving (Sacking), Finishing, Mechanical Maintenance, Workshop, Store and Electrical Departments. When we visited the Complex we did not find any approved Organisation Chart either of the Complex or of any of the mills within its jurisdiction.

5.4.4 Trade Unions and Industrial Relations:

In the company we found what may be called mushroom growth of trade unions after the liberation of Bangladesh. There are some unions which have been formed by the defectors of some established unions. These unions do not generally enjoy the support of the general workers and they are also not affiliated to any national federations. Amongst the unions which have been registered, approved by the company and affiliated to the

national federations, the following are noteworthy:

1. Jatiyatabadi Sramik Dal
2. Sramik Union (collective bargaining agent at present)
3. Sramik League
4. Sramik Sangha
5. Mazdur Trade Union
6. United Employees' Union.

The industrial relations history of the company is not a pleasant one. Labour troubles have become chronic. After the independence of the country in 1971, strikes, gheraos, go-slow and all other techniques of showing labour resentment became rampant. During the period of our study we found relatively good industrial relations, as the militant labour leaders who became famous for their militancy, especially of the Collective Bargaining Agent, were then living behind the bar.

5.5 Profile of the Samples

All of the respondents in the present study were male, married and hailed from rural areas except two workers who were bachelors and one government official who had urban background. The workers were, on the average, in their mid-thirties, management personnel in their early forties and government officials in their late forties. (see Table 4.1)

One-tenth of the workers had no formal education, seven-tenth had primary education, about one-seventh had junior high-level education and four per cent were matriculates. Amongst the management personnel, one-third had post-graduate degrees, nearly one-fourth had bachelor's degrees and forty five per cent were matriculates and received special job-oriented training. Government officials were all holding post-graduate degrees except two who had bachelor's degrees.

FOOTNOTES

¹Middle management is the group of administrators immediately below top management with which it is closely bound up. The senior administrative officers share with and delegate a large part of their responsibilities to middle managers.

²Quoted by Sahu (1980).

³The name of the company has been disguised to conceal its identity.

⁴According to a Bulletin published by the Public Relations Department of the company.

⁵Ibid.

⁶This figure relates to the workforce as on 19.12.1981. This figure has been supplied by the Chief Labour Officer of the plant studied.

CHAPTER SIX

ANALYSIS OF THE RESULTS

AND

DISCUSSION

6.1 Impact of the Nationalisation of Industries on Participative Environment

The attitudes of the workers, management personnel and government officials toward the impact of the nationalisation of industries in the context of Bangladesh are presented in Table 5.1.1 and Table A.2. The impact of nationalisation on participative environment was measured by five forced-choice statements where the respondents indicated their attitudes on a 5-point scale. As is evident from Table A.2, the differences between perceived and desired mean scores obtained in all the statements by both workers and management personnel are statistically highly significant ($P < .01$). In the case of government officials the mean differences are significant on items 1 & 2 ($P < .01$) and 3 ($P < .05$).

Taking a criterion of 2 and below (i.e., between disagree to strongly disagree) it can be inferred that workers perceived three conditions relating to the impact of nationalisation (items 1, 4 and 5) to be non-existent (see Table 6.1.1). They were doubtful about the existence of the conditions described in items 2 and 3 (taking a criterion of 3 and below 4 i.e., undecided to below agree). Although the perceived mean scores of the workers on items 1 (nationalisation has been a panacea for the exploitation of workers by employers or top managers), 4 (Nationalisation has created enormous power in the hands of a minority groups of union leaders over the managers) and 5 (nationalisation has created the background for workers' participation in management) were very low (being 1.83, 1.74 and 1.83 respectively), their desired mean scores on these three items were quite high

(being 4.58, 4.06 and 4.51 respectively). In items 2 (nationalisation has resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises) and 3 (nationalisation has resulted in bureaucracy which further prevents the workers to have their say) desired mean scores were less than the perceived ones which indicate that workers are against the existence of these two conditions on their jobs.

Table 6.1.1 also shows the actual and desired impact of the nationalisation of industries as viewed by the management personnel of the enterprise under study. The differences of means between 'actual' and 'desired' in all statements from No. 1 to 5 are statistically significant at the .01 level of confidence. It can be observed that the management personnel disagreed (taking a criterion of 2 and below, i.e., between disagree to strongly disagree) with the statements that nationalisation has (1) been a panacea for the exploitation of workers; (2) resulted in bureaucracy which further prevents the workers to have their say; and (3) created enormous power in the hands of a minority group of union leaders over the managers. The managers were near to indifference as to 'nationalisation of industries has resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises' (taking a criterion of 3, i.e., between indifferent to strongly disagree). They were also of the opinion that nationalisation had not created the background for the workers' participation in management ($\bar{x} = 2.37$). They did neither agree nor strongly agree in respect of any of the items

As regards the 'desired' impact of nationalisation, not a single item was found to achieve the maximum level (i.e., essential) but item 1 and item 5 were viewed, taking a criterion of 4 (very important) and above, as very important. Thus the management personnel were of the view that nationalisation should reduce, if not fully eliminate, the exploitation of workers by the employers or top managers and that it should create the background for workers' participation in management. Item numbers 2 and 3 were considered as 'quite important' whereas item number 4 (creation of enormous power in the hands of a minority groups of union leaders over the managers) was viewed as less important.

In summing up, the conditions which were ^{not existing but highly desired} not/so (1) nationalisation of industries has been a panacea for the exploitation of workers by employers or top managers, and (4) nationalisation has created the background for workers' participation in management. The conditions which were not only absent but also viewed as of little importance were (3) nationalisation has resulted in bureaucracy which further prevents the workers to have their say and (4) nationalisation has created enormous power in the hands of a minority groups of union leaders over the managers.

Table 6.1.1 further shows the mean responses of the government officials to the impact of nationalisation. Taking a criterion of 4 (agree) and above, not a single item was found to achieve this level. While they were not sure about the existence of items 3 and 5, their perceived mean scores on the remaining items ranged from 2.31 to 2.92. Like the workers, the desired

Table 6.1.2: Differences of the Mean Responses to the Impact of the Nationalisation of Industries

Items*	Perceived			Desired	
	Differences of mean between W and M	W and G	M and G	W and M	W and G
1.	0.03**	-0.48	-0.51	0.51	0.12**
2.	0.85	0.83	-0.02**	-1.19	1.10
3.	0.51	0.34	-0.17**	0.09**	-0.32 [@]
4.	-1.13	-0.95	0.18**	2.86	1.06
5.	-0.54	-1.32	-0.78	0.41	0.05**

Notes: 1) W = Workers, M = Management, G = Govt. Officials

ii) When the score obtained by management personnel and government officials is higher than that by workers, (-) sign is used and vice-versa. Similarly when management score is less than government officials' score (-) is used.

*The items are same as those listed in Table 6.1.1

**Not significant,

@P < .05. In case of others P < .01 (two-tailed t-test).

Table 6.1.1: Impact of the Nationalisation of Industries as Perceived and Desired by Workers, Management Personnel and Government Officials.

Nationalisation of industries has:	ACTUAL (A)			DESIRED (D)			MEAN DIFF. (A-D)		
	W (N=108) x	M (N=60) x	G (N=13) x	W x	M x	G x	W	M	G
1. Been a panacea for the exploitation of workers by employers or top managers.	1.83	1.80	2.31	4.58	4.07	4.46	2.75*	2.27*	2.15*
2. Resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises.	3.75	2.90	2.92	2.48	3.67	1.38	1.27*0.77*	1.54*	
3. Resulted in bureaucracy which further prevents the workers to have their say.	3.88	3.37	3.54	1.99	1.90	2.31	1.89*	1.47*0.34**	
4. Created enormous power in the hands of a minority group of union leaders over the managers.	1.74	2.87	2.69	4.06	1.20	3.00	2.32*1.67*0.31		
5. Created the background for workers' participation in management.	1.83	2.37	3.15	4.51	4.10	4.46	2.68*1.73*1.31*		
Average across all items	2.61	2.66	2.92	2.52	2.99	3.12	0.91*0.33*0.20		

Notes: W = Workers, M = Management Personnel, G = Government Officials

* $P < .01$ (two-tail test of significance)
 ** $P < .05$ (two-tail test of significance)

mean scores of the government officials on items 2 and 3 were less than the perceived scores. The conditions which were not existing but highly desired by the government officials were those in items 1 and 5.

An examination of Table 6.1.2 indicates that both workers and management personnel held the uniform view regarding item 1. They perceived that the nationalisation of industries in Bangladesh has failed to emancipate the workers from the exploitative clutches of top managers. After the independence of Bangladesh the government, owing to committed political ideology and persistent demand from workers, took over the ownership of major industries, including jute industry, with the belief that nationalisation would be a panacea for the exploitation of workers. Our study confirms the failure of such a belief. Both the partners in production, i.e., workers and management, believed that the policy of nationalisation should be used as an important vehicle for the amelioration of the conditions of labour. Government officials' desires also corresponded to that of workers and management personnel.

Although the workers were near to the agree-point (mean score = 3.75) both management personnel and government officials did not perceive that nationalisation has resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises. All the three groups were of the view that nationalisation has not created enormous power in the hands of union leaders over the managers. Creation of enormous power in the hands of union leaders due to nationalisation is

highly desired by workers (\bar{x} score = 4.06) but it is thought to be least desirable by management personnel (\bar{x} score = 1.20) and quite important by government officials. While the government officials were undecided, both workers and management personnel viewed that nationalisation has not been able to create the background for workers' participation in management. But all the actors considered this to be very important.

From the analysis of the data the situation does not seem to be frustrating for introduction of participative management in the nationalised industries, in particular. From the desired mean scores one can find an optimistic, rather than pessimistic, attitude of both workers and management personnel - the leading actors in industrial administration.

6.2 Industrial Relations Climate

Industrial relations climate as perceived by the workers and the management personnel was studied by a questionnaire consisting of 16 forced choice items.¹ The respondents indicated their opinion on a five-point Likert-type scale running from strongly disagree to strongly agree. The attitude materials have been depicted in Table 6.2.1. As the table indicates, obtained differences between responses of workers and management personnel are significant on 14 of the 16 items. Therefore, it can be inferred that the two samples differed significantly from each other with respect to these 14 items.

Perusal of Table A.3 reveals that maximum divergence (significant at the one per cent level of confidence) of opinions between workers and management personnel happened on all the 14 items. While more than half of the management personnel felt

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that most employers/managers take a real interest in their employees' welfare. 93 per cent of the workers happened to oppose this view. However, 91 per cent of the workers were of the opinion that employer should consult the union more, whereas only 43 per cent of the management personnel agreed with them in this respect. Although more than three-fourths of the workers showed a positive attitude toward the view that most employees cooperate with the management, only one-third of the management personnel supported it. All management personnel were of the view that workers usually get a fair return for the work they do, whereas only seven workers out of 100 agreed with the management people on this issue. A little more than three-fourths of the management personnel agreed that most supervisors treat their workers fairly, while on the contrary 12 per cent of the workers viewed that most supervisors do not treat their workers fairly. While 53 per cent of the management personnel did agree that a union could make satisfactory progress without striking, 84 per cent of the workers were opposed to this view. Although a pro-attitude toward the view that managers and union leaders should see more of each other off the job is revealed in the case of both the groups, a difference of opinion in their emphasis is found so far as nearly a quarter of the workers and a negligible number of management personnel did not render their support to it. Almost similar was the attitude toward the views that (a) managers should do more to encourage their employees to make suggestions about their work, and (b) extra pay for the extra work is the best way to get more output from workers. Sixty three per cent

Table 6.2.1: Actual Opinion of Workers and Management Personnel

Items	Per cent agreeing to the items*		Mean Score**		Sig. Level
	Workers (N=108)	Mgt. Personnel (N=60)	Workers (N=108)	Mgt. (N=60)	
<u>Area-II: Industrial Relations</u>					
1. Most employers/managers take a real interest in their employees' welfare.	7	57	1.69	3.10	.01
2. Management should consult the union more.	91	43	4.42	2.83	.01
3. Most employees cooperate with management.	84	33	4.22	2.63	.01
4. A worker usually gets a fair return for the work he does.	7	100	1.64	4.37	.01
5. Most supervisors treat their workers fairly.	12	77	1.92	3.47	.01
6. A union could make satisfactory progress without striking.	16	53	1.98	2.93	.01
7. Managers and union leaders should see more of each other off the job.	80	97	4.09	4.60	.01
8. Anyone who has the ability and who is willing to work hard can get to the top in industry today.	9	7	1.64	1.77	NS
9. The difference between the lowest and the highest income groups in our country is too wide to be fair.	61	80	3.67	3.50	NS
10. A firm that makes large profit is usually more efficient than other firms.	77	50	4.12	2.90	.01
11. The average union leader has as much ability as the average manager.	85	37	4.20	2.27	.01

Contd.....

Table 6.2.1 (Contd.)

12. Most employees take pride in their work.	91	83	4.32	2.57	.01
13. Extra pay for the extra work is the best way to get more output from workers.	93	97	4.39	4.77	.01
14. Employers/Managers should do more to encourage their employees to make suggestions about their work.	86	97	4.35	4.13	.01
15. Industrial relations would be more peaceful without the arbitration system.	12	100	1.87	4.60	.01
16. Unions should restrict themselves to getting fair wages and working conditions for their members and keep out of the management of industry.	19	100	1.99	4.57	.01

*Combination of 'Agree and 'Strongly Agree', fractions have been rounded to the nearest figure. For details, see Table A.3 in Appendix A.

**Mean score is calculated on the basis of the raw score obtained on 5-point scale and the significance level is determined through two-tailed t-test of the mean differences.

of the management personnel felt that the average union leader is not equal in ability to the average manager, while 35 per cent of the workers regarded their union leaders as able as the average manager. The management personnel were unanimous to the view that unions should restrict themselves to getting fair wages and working conditions for their members and keep out of the management of industry. Workers were clearly opposed to this view. A over-whelming majority of workers favoured unions participation in the management of the affairs of industry, in addition to its role to be played for getting fair wages and working conditions. Management personnel mostly felt that most employees do not take pride in their work. Conversely, almost all the workers viewed that most employees take pride in their work. Although half of the management personnel agreed that a firm that makes large profit is usually more efficient than other firms, a little less than one-quarter of the workers opposed this view. Management personnel displayed a positive attitude toward the view that industrial relations would be more peaceful without the arbitration system. But more than three-fourths of the workers did show a negative attitude toward the same view.

As the above analysis of the results shows, the management personnel tended to emphasise the view that unions should work only for wages and working conditions and should not be part of management. It is perhaps because of the fact that, with the promulgation of the Industrial Relations Act, 1980, experienced and educated persons from the intellectual elite outside of the industry can not become union leaders whose knowledge and expertise could be gainfully utilized in the process of managerial decision-making. The current practice is to select/elect union

leaders from among the workers employed in the plant concerned. The general workers are mostly illiterate (see Table A.1 in Appendix A) who are not qualified and competent, management probably believes, to participate in managerial functions. The management personnel's negative attitude toward union's participation in the management of industry may also be moulded up by the fact that with the emergence of militant unions, management has become irritated with delays and with restrictions in taking action on placement, hiring, firing, promotions, lay-offs, work assignments, and other personnel decisions (Harrel, 1967: 323).

The workers felt that workers usually do not get fair day's wage for fair day's work. This is in line with the observation that in the industries the real wages have gone down substantially, although the cost of living index and consumer price index of the industrial workers show a considerable rising tendency (Chowdhury, 1976). Government reports also indicate that real wages of industrial workers have gone down due to reduction in money wages.² The results of research study revealed that almost all workers considered their wages to be inadequate (Ahmad, 1978). In fact, the wages that a worker receives has perhaps greater significance for him than any other feature of the structure of organisation. This trend is not uncommon in other countries, too. In India, for example, low pay was mentioned as a cause of worker dissatisfaction by every supervisor (Ganguli, 1961: 37). In Bangladesh also, decreased real wages have been mentioned as an important cause of increased industrial conflict (Chowdhury, 1978: 14).

The Management personnel stressed the view that most supervisors treat their workers fairly. This seems plausible because like most practical people, the supervisors do not want overriding powers over their men. Research studies indicate that supervisors in high producing sections tend to identify themselves more with the workers than with the organisation (Ganguli, 1961: 55). Habibullah (1967) also reported cordial relationship between supervisors and workers. In fact, for efficient running of a company there should be a relationship of mutual respect between the supervisors and the workers. For this, the supervisors should be such who would take active and consistent interest in workers (Dey, 1959: 548).

The workers tended to emphasize the view that management should consult the union more. This approaches very close to Raza's (1963) observation that an attitude of give-and-take must be generated between the management and labour if any progress is to be expected. Governmental guidance or outright direction is no substitute for direct, well-intentioned, realistic negotiations between the parties themselves. The greater the amount of contact between the parties, better is their attitude toward each other. Adequate contacts and communications between the labour unions and employers may minimise chances of their opening violent action against each other.

The management personnel viewed that the union could make satisfactory progress without striking. After the liberation of Bangladesh industrial workers have become much more militant than the pre-liberation period and they have resorted to a number of wildcat strikes. They tend to think of strikes as an

important weapon to realise their demands and to show their militancy and power over management. The number of workers involved in strikes (and other disputes), increased two-fold within seven years from 1971.³ Union leaders also often tend to justify strikes as a means of enhancing the union's strength in the long run. Indeed, the strike may strengthen the membership and furnish evidence that the union is fighting vigorously for the workers' interests. It seems important to prove this if the union is threatened by apathetic members or by a rival institution.⁴

The management personnel tended to feel that the average union leader does not have as much ability as the average manager. This seems logical in view of the lack of knowledge on labour laws, rules and regulations and lack of proper education among the union executives (Ahmad, 1978). The workers' favourable attitude toward the ability of union leaders may probably arise from the fact that generally those workers become union leaders who have convincing power, the clever use of which makes the common workers believe that their leaders have no less ability than the educated managers. The general workers mostly hailing from the rural areas usually happen to be hoodwinked by the external glamour of the union leaders' gesture and posture. The average trade union leader in our country can not be termed as an intellectual which may be possible in, for example, India where the average union leader is found to have considerable education (Punekar and Madhuri, 1967).

The workers emphasized that most employees take pride in their work. This is in congruence with the finding of an Indian study where the labour leaders expressed the similar view

(Dwivedi, 1970), but opposite to the results of Gangrade's (1954: 175-183) study which showed a negative attitude of the employees toward pride in work.

Both the workers and management personnel tend to think that extra pay for extra work is the best way to get more output from workers. This conforms to the reports of the International Labour Organisation that various governments, employers and workers' organisations feel that incentive systems of payment have generally led to increased output per worker (ILO, 1951). Likewise, both the workers and management groups almost unanimously view that managers should encourage suggestion system. This seems justified because "participation in the making of decisions that affect the individuals' own job conditions is of the greatest importance from the point of view of productivity and morale" (Ganguli, 1964:53).

6.3. Styles of Executive Leadership in the Enterprise

Table 6.3.1 shows the styles of leadership as practised and desired by the managerial personnel. For our purpose we may define leadership style simply as a pattern of interacting with subordinates. From Table A.4 in Appendix A four types of leadership, such as, laissez-faire, autocratic, democratic and bureaucratic rule-oriented leadership, were identified and separately presented in Table 6.3.1. Across all items, the perceived mean score and desired mean score were 1.63 and 3.21 respectively for laissez-faire leadership, 2.36 and 3.93 for autocratic leadership, 1.99 and 3.86 for democratic leadership and 3.29 and 4.63 for rule-oriented leadership. This indicated absence of the first three categories of leadership and general presence of bureaucratic leadership in the enterprise concerned.

An examination of Table A.4 revealed that there were wide differences between the perceived and the desired mean scores in all the items which were all statistically significant at the one per cent level of confidence. Taking a criterion of 4 (agree) and above, not a single item could achieve this level. In the desired scale, taking a criterion of 4 (very important) and above, all the items in the category of rule-oriented leadership (i.e., items 3, 7, 11, 15 and 19), one item (No. 18) in the category of democratic leadership and two items (nos. 5 and 9) in the category of autocratic leadership were found to achieve this level. This was an indication of the fact that although autocratic and democratic leadership were non-existent, the management personnel desired autocratic control in deciding the techniques *and methods of the department* and in 'job assignment to their subordinates'; democratic leadership in taking disciplinary action; and rule-oriented leadership in 'departmental policy making in connection with subordinates' work', in 'determining the techniques and methods of the department', in 'assigning jobs to subordinates', in 'participation in subordinates' work' and in 'the maintenance of discipline'.

To sum up Table A.4 and Table 6.3.1 management personnel neither practised laissez-faire leadership, nor did they desire to practise the same. They were also not autocratic in their departmental policy-making in connection with their subordinates' work as well as regarding the (i) techniques and methods of their department, (ii) job assignment to subordinates, (iii) participation in subordinates' work, and (iv) discipline. But they desired autocratic control in deciding the techniques and methods of their department and in assigning jobs to their

Table 6.3.1: Perceived and Desired Styles of Leadership as Viewed by Management Personnel (N=60)

Item No.	Actual		Item Nos.	Desired		Actual Score	Desired Score
	\bar{x}	Score		\bar{x}	Score		
<u>Laissez-Faire Leadership</u>							
4.	1.17	1.60	1.	2.63	3.40	1.60	3.40
In my departmental policy-making, I leave it to my subordinate to decide.							
8.	1.83	1.67	5.	3.47	4.03	1.67	4.03
As regards the techniques and methods of my department, I take care only in formulating the basic plans and give advice when asked for.							
12.	1.17	3.67	9.	2.50	4.83	3.67	4.83
As regards job assignment to my subordinates, I leave it entirely to my subordinates.							
16.	2.53	2.07	13.	3.20	3.67	2.07	3.67
I do not make any deliberate attempt to participate.							
20.	1.47	2.80	17.	2.23	3.70	2.80	3.70
I hardly take any disciplinary action against subordinates.							
Average across all items		1.63	Average across all items		2.91	2.36	3.93

Contd....

Table 6.3.1 (Contd.)

Item Nos.	Actual Score	Desired Score	Item Nos.	Actual Score	Desired Score
<u>Democratic Leadership:</u>					
2.	1.20	3.77	3.	3.33	4.43
6.	1.60	3.97	7.	3.47	4.83
10.	1.77	3.57	11.	3.43	4.87
14.	2.77	3.73	15.	3.03	4.23
18.	2.63	4.27	19.	3.20	4.80
<u>Bureaucratic-Rule Oriented Leadership:</u>					
Average across all items					
Average across all items					

subordinates. Democratic leadership also could not get any foothold which, however, was considered to be quite important in all the cases except in discipline where they thought it to be very important to hear both sides and collect all the relevant facts and check them before taking any action. Again, compared with the laissez-faire, autocratic and democratic styles of leadership, the management personnel were actually more prone toward strict adherence to the systems and procedures laid down by the company, and, in the same tone, they thought it highly desirable to follow the company rules.

One of the most important criticisms of the classical view of organisation is directed to its assumption that the accomplishment of organisation goals requires the exercise of asymmetric, one-way control from a single source at the top of the organisation. Research into the nature of democratic leadership and the benefits of participation in group decisions bolstered the attack on this autocratic conception of management. It would, however, be a mistake to interpret this attack as advocating the elimination of influence by an organisation over its members. The early study by White and Lippitt (1960) on styles of leadership documented the negative consequences of morale and productivity of laissez-faire leadership. The main thrust of the criterion was to advocate an organisation whose parts are all dependent upon centralised source of control.

Several studies by Smith and Tannenbaum (1963), Tannenbaum (1957, 1961), Tannenbaum and Georgopolous (1957), and Tannenbaum and Kahn (1957) have underlined the importance for organisational functioning of a sufficiently high level of social influence

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within the organisation. These investigations employed research devices known as 'control graph-technique' and found, in a majority of organisations studied, a positive correlation between the amount of total control and effective organisational performance. It thus appears that organisations require for their functioning the exertion of an adequate amount of the influence by one part on another, but this influence may take a variety of forms.

Table 6.3.1 of the present study reveals that the management personnel act largely on the basis of rules and regulations laid down by the company rather than on the immediate requirement of the situation. While the reasons for those rules and regulations may be sound, nevertheless, they have the effect of restricting freedom of action and consequently the initiative of the managers in taking decisions. Prevalence of rule-oriented leadership indicates that control over certain policy matters reside maximally in the central authority. Perhaps, by the very nature of public sector, this is inevitable. In the public sector enterprises state-dictated rules become the company rules which the people responsible for managing the affairs of the enterprise are expected to meticulously follow. It might probably be one of the reasons for non-practice of either autocratic⁵ or democratic leadership.⁶

The findings of the present study regarding leadership styles do not conform with that of Chatterjee (1969) who found that majority of managers practised democratic-laissez-faire styles of leadership and they considered it also very important on-the-job conditions of work.⁷ However, our finding is in line

with the observation of Sreenivasan (1964) that managers in public sector enterprises act largely on the basis of rules and regulations laid down by the company.

6.4 The Meaning of Participation

Table 6.4.1 depicts the ranking of the concepts of participation made by the subjects. Six alternative concepts or meanings of participation were presented to the subjects for their opinion on a five-point scale. This was done to evaluate their perceptions of the meaning of participation. For each of the three groups of respondents, the score, achieved in each of the alternative meaning of participation and percentage of maximum possible score were calculated and ranks were ascertained on that basis. The correlation coefficient (ρ) was computed by the Rank-difference Method, as suggested by Garret (1961). The ρ was significant at .01 level of confidence in all the cases, i.e., between workers and management (.60), workers and government (.77) and management and government (.89).

The items describing the concept of participation are numbered in the order of their appearance in the questionnaire. As Table 6.4.1 shows, the sixth item (workers' representatives sit as real members of management but continue to work at their regular jobs) was ranked first both by the workers and the government officials. Management's first choice was the third item (workers' representatives participate in discussions regarding managerial decisions). While workers' second preference was 'workers participate in ownership in industry', management personnel's second preference was 'workers' representatives sit as real members of management but continue to work at their regular

jobs', 'workers' representatives participate in discussions regarding managerial decisions' got second ranking from the Government officials. The item which was ranked third both by the management personnel and government officials was 'workers participate in ownership of industry'. Workers' third ranking went to the item which was ranked first by the management personnel and second by the government officials. The least preferred item by the workers was 'the workers share in profits and losses' (ranked fourth by both management personnel and government officials). On the contrary, the corresponding items for the management personnel and government officials were 'workers' representatives associate at all levels in the various functions of management but don't continue to work at regular employment' (ranked fourth by workers and fifth by government officials) and 'the workers share in profits only' (ranked fifth both by workers and management personnel) respectively.

The analysis of Table 6.4.1 makes it clear that workers and management personnel differed significantly in their attitude towards the meaning of participation. While management personnel did not like to go beyond information sharing (discussion), workers wanted real sharing of power between labour and management. To the workers, participation means association of workers' representatives, without evading their responsibilities as workers, in managerial decisions as real members of management. On the contrary, to the management personnel, participation means association of workers' representatives in discussions regarding managerial decisions. The government officials share their views with workers.

The findings indicate that there exists no common conception of the term 'participation' among the partners of production which is a deviation from the findings of other researches (e.g., Tabb and Goldfarb, 1970). However, the workers' view to the concept is similar to that found in a survey by Tabb and Goldfarb (1970) among the Israeli workers. It can be noted that the findings are in line with the general assumption that there would be significant differences in the conception of the term participation among those who actively play their roles in the production process. Again, the management personnel liked to associate workers in managerial decisions through consultation without giving the right to co-decide, and at the same time, they wanted that the workers assumed responsibility for the outcome of the decisions in which workers participated symbolically with no rights of deciding. This found its expression in the fact that management personnel attached high importance to 'workers share in both profits and losses' (41 per cent of maximum possible score) and much less importance to 'workers share in profits' only (21 per cent of maximum possible score). On the other hand, workers wanted participation in managerial decisions (through representatives) but didn't like to assume the responsibility for the outcome of the decisions, which is evident from the fact that their score in 'workers share in both profits and losses' is the lowest (155, i.e., 29 per cent of the maximum possible score).

6.5 Objectives of Participative Management

Table 6.5.1 shows the desired objectives of participative management among the workers, management personnel and government officials in terms of the percentage of respondents endorsing each response category in a scale running from 'not important' to 'essential'. It also contains the item-wise mean score for all the three groups of respondents. The differences of mean between workers and management personnel, workers and government officials, and management and government officials for all the 13 items concerning objectives of participative management have been separately tested with respect to their significance by two-tailed t-test. From Table 6.5.2 it can be seen that mean differences between workers and management personnel in items 1, 4, 5, 6, 7, 10, 12 and 13 are statistically significant at .01 level and in items 8 and 9 at .05 level of confidence. Similarly, between management and government officials and between workers and government officials the mean differences are significant at .01 level on items 1, 4, 5, 6, 7, 9, 10, 11, 12 and 13 and 1, 6, 7, 9, 10, 11, 12, and 13 respectively. In case of the former only item 3 and of the latter only item 5 is significant at .05 level of confidence.

Table 6.5.3 displays rank-wise objectives of participative management. The rank-difference correlation coefficient between workers and management (.39) and between workers and government officials (.43) was not statistically significant. This implies that workers and management personnel, and workers and government officials differ significantly in respect of the ranking of the objectives of participative management. The

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correlation coefficient (ρ) between management personnel and government officials (.56) is significant at .05 level of confidence. Thus it can be inferred that there are similarities of opinions between management personnel and government officials.

The most important objective of participative management is, according to workers, (a) to resolve industrial disputes and increase production simultaneously, and (b) to develop people to accept change (tied rank). On the other hand, the most important objective was, as perceived by both management personnel and government officials, to increase productivity, improve job satisfaction, decrease absenteeism and reduce waste. As perceived by management personnel the second most important objectives were (a) to resolve industrial conflicts amicably without disrupting industrial peace and (b) to improve team work (tied), whereas workers assigned the same place to 'increase security and wages of workers; Two items were ranked second (tied rank) by government officials: (a) to provide means for close involvement of the workers with the enterprise and the decisions which directly affect them, and (b) to resolve industrial disputes and increase production simultaneously.

Table 6.5.1: Desired Objective of Participative Management among Industrial Workers, Management Personnel and Government Officials (percentage of respondents endorsing each response category).

Sl. No.	The Objective of Participative Management is to:	Res-pondents	NI	LI	QI	VI	E	Mean Score
1.	Increase security and wages of workers.	W	0.00	0.00	12.04	46.30	41.67	4.30
		M	0.00	0.00	46.67	50.00	3.33	3.57
		G	30.77	30.77	23.08	15.38	0.00	2.23
2.	Increase production which may not necessarily result in higher wages & greater security for the workers.	W	0.00	7.41	4.63	49.07	38.89	4.19
		M	0.00	6.67	0.00	46.67	46.67	4.33
		G	0.00	0.00	0.00	76.92	23.08	4.23
3.	Resolving industrial disputes and increasing production simultaneously.	W	0.00	0.00	4.63	41.67	53.70	4.49
		M	0.00	0.00	3.33	46.57	50.00	4.47
		G	0.00	0.00	0.00	69.23	30.77	4.31
4.	Resolving industrial conflicts amicably without disrupting industrial peace.	W	0.93	9.26	12.96	41.67	35.19	4.02
		M	0.00	0.00	0.00	43.33	56.67	4.57
		G	0.00	0.00	23.08	61.54	15.38	3.92
5.	Increase productivity improve job satisfaction, decrease absenteeism & reduce waste.	W	0.00	7.41	11.11	37.04	44.44	4.19
		M	0.00	0.00	6.67	3.33	90.00	4.83
		G	0.00	0.00	0.00	53.85	46.15	4.46
6.	Revolt against bureaucratic authority over an enterprise.	W	0.00	9.26	15.74	37.04	37.96	4.04
		M	0.00	3.33	73.33	10.00	13.33	3.33
		G	15.38	46.15	23.08	15.38	0.00	2.38
7.	Extending power and influence of trade unions.	W	0.00	16.67	18.52	28.70	36.11	3.84
		M	40.00	3.33	40.00	10.00	6.67	2.40
		G	38.46	38.46	0.00	23.08	0.00	2.08
8.	Provide means for close involvement of the workers with the enterprise and the decisions which directly affect them.	W	0.00	1.85	13.89	46.30	37.96	4.20
		M	0.00	0.00	3.33	56.67	40.00	4.37
		G	0.00	0.00	0.00	69.23	30.77	4.31
9.	Prevent workers' exploitation either by owners or top managers.	W	0.93	0.93	9.26	50.00	38.89	4.25
		M	0.00	0.00	3.33	43.33	53.33	4.50
		G	0.00	7.69	23.08	53.85	15.38	3.77

Contd....

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Table 6.5.1 (Contd.)

10. Improve quality of managerial decisions.	W	0.00	9.26	9.26	46.30	35.19	4.04
	M	0.00	0.00	40.00	50.00	10.00	3.70
	G	23.08	46.15	15.38	15.38	0.00	2.23
11. Develop people to accept change.	W	0.00	0.00	4.63	41.67	53.70	4.49
	M	0.00	3.33	0.00	46.67	50.00	4.43
	G	7.69	23.08	0.00	53.85	15.38	3.46
12. Improve team-work.	W	0.00	0.00	13.89	46.30	39.81	4.26
	M	0.00	0.00	0.00	43.33	56.67	4.57
	G	0.00	15.38	23.08	46.15	7.69	3.23
13. Sharing financial and other information about the enterprise.	W	0.00	13.89	9.26	39.81	37.04	4.00
	M	0.00	0.00	40.00	50.00	10.00	3.70
	G	23.08	46.15	0.00	30.77	0.00	2.38
Average across all items	W	0.14	5.84	10.75	42.45	40.31	4.18
	M	3.08	1.28	19.74	38.46	37.44	4.06
	G	10.65	19.53	10.06	44.97	11.20	3.31

Notes: Scale: Not Important (NI) = 1, Less Important (LI) = 2, Quite Important (QI) = 3, Very Important (VI) = 4, Essential (E) = 5.

Table 6.5.2: Mean Responses to the Objectives of Participative Management as Desired by Workers (N=108), Management Personnel (N=60) and Government officials (N=13).

Sl. No.	Objectives [ⓐ]	W	M	G	Difference Between		
		\bar{x} Score	\bar{x} Score	\bar{x} Score	W & M	W & G	M & G
1.	Increase security and wages	4.30	3.57	2.23	0.73*	2.07*	1.34*
2.	Increase production	4.19	4.33	4.23	0.14	0.04	0.10
3.	Resolve disputes and increase production	4.49	4.47	4.31	0.02	0.18	0.16**
4.	Resolve conflicts	4.02	4.57	3.92	0.55*	0.10	0.65*
5.	Increase satisfaction etc.	4.19	4.83	4.46	0.64*	0.27**	0.37*
6.	Revolt against bureaucracy	4.04	3.33	2.38	0.71*	1.66*	0.95*
7.	Extend union power	3.84	2.40	2.08	1.44*	1.76*	0.32*
8.	Means for involvement	4.20	4.37	4.31	0.17**	0.11	0.06
9.	Prevent exploitation	4.25	4.50	3.77	0.25**	0.48*	0.73*
10.	Improve quality of decisions	4.04	3.70	2.23	0.34*	1.81*	1.47*
11.	Accept change	4.49	4.43	3.46	0.06	1.03*	0.97*
12.	Improve team-work	4.26	4.57	3.23	0.31*	1.03*	1.34*
13.	Sharing information	4.00	3.70	2.38	0.30*	1.62*	1.32*
	Average across all items	4.18	4.06	3.31	0.12	0.87*	0.75*

[ⓐ] Details of the items have been given in Table 6.5.1.

* P < .01

** P < .05

Table 6.5.3: Objectives of Participative Management: Rank-wise as perceived by the Different Actors.

The Objective of Participative Management is to:	Workers (N=108)		Mgt. Personnel (N=60)		Govt. Officials (N=13)				
	Score % of max. Score	Rank	Score % of max. Score	Rank	Score % of max. Score	Rank			
1. Increase security and wages of workers,	464	85.93	3	214	71.33	11	29	44.62	11.5
2. Increase production which may not necessarily result in higher wages & greater security for the workers.	453	83.89	7	260	86.67	8	55	84.62	4
3. Resolving industrial disputes and increasing production simultaneously.	485	89.81	1.5	268	89.33	5	56	86.15	2.5
4. Resolving industrial conflicts amicably without disrupting industrial peace	433	80.19	11	274	91.33	2.5	51	78.46	5
5. Increase productivity, improve job satisfaction, decrease absenteeism and reduce waste.	452	83.70	8	290	96.67	1	58	89.23	1
6. Revolt against bureaucratic authority over an enterprise.	436	80.74	10	200	66.67	12	31	47.69	9.5
7. Extending power and influence of trade unions.	415	76.85	13	144	48.00	13	27	41.54	13
8. Provide means for close involvement of the workers with the enterprise & the decisions which directly affect them.	454	84.07	6	262	87.33	7	56	86.15	2.5

Table 6.5.3 (Contd.)

9. Prevent workers' exploitation either by owners or top managers.	459	85.00	5	270	90.00	4	49	75.38	6
10. Improve quality of managerial decisions.	440	81.48	9	222	74.00	9.5	29	44.62	11.5
11. Develop people to accept change.	485	89.81	1.5	266	88.67	6	45	69.23	7
12. Improve team-work.	460	85.19	4	274	91.33	2.5	42	64.62	8
13. Sharing financial and other information about the enterprise.	432	80.00	12	222	74.00	9.5	31	47.69	9.5

Notes: Rank-difference correlation coefficient (r_{ho}) is as follows:
 Workers vs. management = 0.39 (not significant)
 Workers vs. government officials = 0.43 (not significant) and
 Management vs. government officials = 0.56 (significant at .05 level).

As is evident from Table 6.5.1 the objective which was viewed as 'essential' by most of the managers (90 per cent) is "to increase productivity, improve job satisfaction, decrease absenteeism and reduce waste". The next two objectives considered 'essential' by 57 per cent of the managers were (a) to resolve industrial conflicts without disrupting industrial peace and (b) to improve team work. Majority of the managers viewed 'revolt against bureaucratic authority over the enterprise' as quite important.

Taking a criterion of 4 (very important) and above, it becomes obvious that the objectives described in the item numbers 3, 11, 14, 5, 6, 9, 11 and 12 have achieved this level but not a single item achieved the maximum possible level (criterion of 5). Only item number 7 (extending power and influence of trade unions) has been considered 'less important' by management. Other items have been viewed as quite important.

Majority of the workers (53.70%) considered (a) 'resolving industrial disputes and increasing production simultaneously', and (b) 'develop people to accept change' to be 'essential' objectives of participative management.

Considered against the criterion of 4 and above, all the items have achieved this level except item number 7 (extending power and influence of trade unions) which has been viewed as quite important.

The views of the government officials varied from 'of no importance' (NI) to 'of little importance' (LI) in the case of item numbers 1, 6, 8, 10 and 13. None of the objectives listed were considered to be 'essential' by majority of the

government officials. Taking a criterion of 4 (very important) and above, only item number 2 (increase production which may not necessarily result in higher wages and greater security for the workers), number 3 (resolving industrial disputes and increasing production simultaneously), ^{number 5} (improve job satisfaction, decrease absenteeism and reduce waste) and number 4 (provide means for close involvement of workers with decisions which directly affect them) have achieved this level. This means that the above objectives have been desired, on the average, to be very important for participative management. Other items have either been considered to be quite important (item Nos. 14, 17, 18 and 19) or of little importance (item Nos. 1, 16, 17, 18 and 19).

The opinions of the workers, management and government officials brings an important fact to light. It is quite obvious that the three parties seek to obtain ~~objectives~~ objectives from participative management. In terms of total percentages of responses (combination of the responses in scales 'VI' and 'E'), managers attached highest preference to the objectives of the participative management stated in item numbers 3 (resolving industrial conflicts without disrupting industrial peace) and 2 (improve team work), while workers placed highest emphasis on item numbers 3 (resolving industrial disputes and increasing production simultaneously) and 4 (develop people to accept change). The objectives that were given highest priority by government officials are to increase production which may not necessarily result in higher wages and better security for workers (item 2), to resolve industrial disputes and increase

production simultaneously (item 3), to increase productivity, improve job satisfaction, decrease absenteeism and reduce waste (item 5), and to provide means for close involvement of workers with decisions which directly affect them (item 4).

The opinions expressed by the actors in the industrial relations system with regard to the objectives that they seek to obtain from workers' participation indicate an important trend in their attitudes. All of them regard participation as a means to resolve industrial disputes and increase production. Participation is also expected to develop people to accept change and to improve team work. Workers' expectation is also to achieve security and better wages.

An idea about the objectives of participation as desired by the parties concerned is important because the scope, extent, form and level of participation largely depends upon the objectives in which the workers' participation is viewed.

6.6 Forms of Participative Management

Table 6.6.1 presents the *desirability* ranking assigned to each of the forms of participative management by workers, management personnel and government officials. A respondent could rank any alternative form of participation in a continuum of one to seven. The maximum possible score in every case was the number of observations multiplied by 7.

An examination of Table 6.6.1 indicates that the coefficient of correlation (ρ) between workers and management personnel was very high (.96). This revealed high similarities of opinions between the two groups. Similarity of opinions has also been found between management and government officials

as the obtained rho (.75) was significant at .05 level of confidence. It can be noted from the same table that all the three groups - workers, management personnel and government officials - professed to be most favourably disposed toward item 4 (workers' representation in joint committees). Workers and management personnel expressed similar views on items 3 (workers' ownership and board level representation) and 6 (collective bargaining in decision-making), 2 (parity in the board of directors) and 1 (having one or two directors in the board of directors). Government officials shared their views with workers in items 1, 2, 4 and 7 (informal face-to-face participation in decision-making at work place).

It is obvious from Table 6.6.1 that the most preferred form of participation among the actors was having workers' representatives in the various joint labour-management committees at different levels in the organisation. Other forms preferred by workers and management personnel (upto third rank) were worker-suggestion system and informal, direct participation in decisions at the shopfloor level. The least preferred forms of participation, according to the parties, were boardroom representation by workers, either as minority or parity or representation along with ownership. This leads us to the conclusion that the industrial workers are least interested in ownership of industry or in codetermination, rather they like to concern themselves in reasonable sharing of power through their representatives' involvement in managerial decisions. Since the management personnel also hold the same view as that of the workers, it augurs well for the introduction of a consensus form of participation in the enterprise.

Table 6.6.1: Forms of Participative Management Preferred by Workers, Management Personnel and Government Officials.

Sl. No.	Alternative Forms	Workers (N=108)		Management (N=60)		Government				
		Score*% of max. score	Rank	Score % of max. score	Rank	Score % of max. score	Rank**			
1.	Having one or two workers nominated to the Board of Directors	406	53.70	6	130	30.95	6	44	48.35	6
2.	Having parity in the Board of Directors	354	46.83	7	122	29.05	7	32	35.16	7
3.	Workers having share in the ownership and getting elected to the Board.	498	65.87	5	170	40.48	5	76	83.52	2
4.	Having workers' representatives in various joint committees at different levels.	690	91.27	1	386	91.90	1	88	96.70	1
5.	Having a worker-suggestion scheme in the concern.	662	87.57	2	322	76.67	3	56	61.54	4
6.	Extending collective bargaining machinery to cover the decision-making process.	545	72.22	4	264	62.86	4	52	57.14	5
7.	Informal face-to-face participation in decision-making at work place.	584	77.25	3	352	83.81	2	64	70.33	3

Notes: * Maximum score possible is 756, 420 and 91 for workers, management and government officials respectively.

** Rank difference correlation coefficients (rho) are as follows:

Workers vs. Management = 0.96 (significant at .01 level)

Workers vs. Government = 0.29 (not significant)

Management vs. Government = 0.75 (significant barely at .05 level)

Table 6.7.1: Effects of Participative Management: Rankwise as Perceived by workers, Management Personnel and Government Officials.

Sl. No.	Summary Content	Workers (N=108)		Mgt. Personnel (N=60)		Govt. Officials (N=13)	
		Score % of max. score	Rank	Score % of max. score	Rank	Score % of max. score	Rank
1.	Increasing production	88	2	82.67	7	58.46	7.5
2.	Improving the product	467	7	76.00	8	60.00	6
3.	Reducing cost of production	482	3	92.00	3	63.07	5
4.	Reducing waste	475	5	84.67	5	78.46	2
5.	Reducing accidents	484	1	84.00	6	72.31	4
6.	Improving communications	478	4	93.33	2	90.77	1
7.	Reducing work stoppages	463	8	85.33	4	58.46	7.5
8.	Improving labour-management relations	471	6	94.67	1	76.92	3

Notes: Rank-difference correlation coefficients are as follows:

- Workers vs. management = -0.52 ($P < 0.05$);
- Workers vs. government officials = -0.13 ($P < 0.05$);
- Management vs. government officials = 0.39 ($P < 0.05$).

Table 6.7.2 shows the effects of participative management on the enterprise as perceived by the actors in the industrial relations system in terms of the percentage of respondents endorsing each response category in a five-point scale running from 'not effective' (1) to 'most effective' (5). The management personnel were of the view that participative management would be 'most effective' in (a) increasing production, (b) reducing cost of production, (c) improving communications, and (d) improving labour-management relations. A little more than 50 per cent of the workers *opined* that participative management would be 'most effective' in (a) increasing production, (b) reducing cost of production, (c) reducing accidents, and (d) improving labour-management relations. On the other hand, fifty four per cent of the government officials considered 'improving communications' only to be the 'most effective' consequence of participative management. Majority of the government officials viewed that participative management would be 'very effective' in almost all the areas desired as most effective by both management and workers including 'reducing waste' and 'reducing work stoppages'. Forty three per cent of the management personnel were doubtful about the effect of participative management on improving the product.

From a look at the mean score (Table 6.7.2) it appears that, taking a criterion of 4 (fairly effective) and above, workers and management personnel considered that participation would be fairly effective in increasing production, improving the product and labour management relations and reducing cost of production, waste, accidents and work stoppages.

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Following the same criterion, it can be said that only one item (improving communications) in the case of the government officials achieved this level. Across all items, over 90 per cent of the workers and the management personnel felt participation to be highly effective (fairly effective plus most effective) whereas a little more than one-third of the government officials did not feel so.

All items taken together, workers and management personnel did not differ in their attitudes toward the imagined impact of participation on the enterprise ($P > .05$: see Table 6.7.3). Similarities of opinions were not found between workers and government officials as well as between management personnel and government officials ($P < .01$).

From the above discussion it can unhesitatingly be said that the main two partners in production, i.e., workers and management, are very much hopeful about the beneficial aspects of participative management. In the context of the prevailing socio-economic-political environment of Bangladesh, they find a hope of rays in participative management programmes to exert contributing effects on over-all productivity of the organisation as well as on the enterprise's industrial relations.

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Table 6.7.2: Effects of Participative Management as Perceived by Workers, Management Personnel and Government Officials (Percentage of respondents endorsing each response category)

Sl. No.	Contents	Res- pon- dents	Response Category					Mean Score
			NE	LE	U	FE	ME	
Participative Management would be effective in:								
1. Increasing production	W		0.00	0.00	9.26	34.26	56.48	4.47
	M		13.33	3.33	3.33	16.67	63.33	4.13
	G		15.38	30.77	0.00	53.85	0.00	2.92
2. Improving the product	W		0.00	0.00	9.26	49.07	41.67	4.32
	M		0.00	0.00	43.33	33.33	23.33	3.80
	G		0.00	38.46	23.08	38.46	0.00	3.00
3. Reducing cost of production	W		0.00	0.00	7.41	38.89	53.70	4.46
	M		0.00	0.00	0.00	40.00	60.00	4.60
	G		0.00	15.38	23.08	53.85	0.00	3.15
4. Reducing waste	W		0.00	0.00	7.41	45.37	47.22	4.40
	M		0.00	0.00	0.00	76.67	23.33	4.23
	G		0.00	0.00	23.08	61.54	15.38	3.92
5. Reducing accidents	W		0.00	0.00	7.41	37.04	55.56	4.48
	M		0.00	0.00	0.00	80.00	20.00	4.20
	G		0.00	30.77	0.00	46.15	23.08	3.62
6. Improving communication	W		0.00	0.00	7.41	42.59	50.00	4.23
	M		0.00	0.00	0.00	33.33	66.67	4.57
	G		0.00	15.38	0.00	38.46	53.85	4.24
7. Reducing work stoppages	W		0.00	4.63	11.11	35.19	49.07	4.29
	M		0.00	0.00	0.00	73.33	26.67	4.17
	G		30.77	0.00	15.38	53.85	0.00	2.92
8. Improving labour-management relations	W		0.00	7.41	5.56	30.56	56.48	4.36
	M		0.00	0.00	0.00	26.67	73.33	4.73
	G		0.00	15.38	0.00	69.23	15.38	3.35
Average across all items	W		0.00	1.51	8.10	39.12	51.27	4.40
	M		1.67	0.42	5.83	47.50	44.58	4.43
	G		5.77	18.27	10.58	51.92	13.46	3.45

Notes: Scale -

NE (Not Effective) = 1, LE (Less Effective) = 2,
 U (Undecided) = 3, FE (Fairly Effective) = 4,
 ME (Most Effective) = 5.

Table 6.7.3: Mean Responses to the Perceived Effect of Participative Management.

Summary Contents Effect on:	Workers (W) (N=108)	Management Personnel (M) (N=60)	Government Officials (G) (N=13)	Differences Between		
				W&M	W&G	M&G
1. Production	4.47	4.13	2.92	.34 [@]	1.55 ^{**}	1.21 ^{**}
2. Product	4.32	3.80	3.00	.52 ^{**}	1.32 ^{**}	0.80 ^{**}
3. Production cost	4.46	4.60	3.15	-.14 [@]	1.31 ^{**}	1.45 ^{**}
4. Waste	4.40	4.23	3.92	.17 [@]	.48 ^{**}	0.31 ^{**}
5. Accidents	4.48	4.20	3.62	.28 ^{**}	.86 ^{**}	0.58 ^{**}
6. Communications	4.43	4.67	4.54	-.24 ^{**}	.11 [*]	0.13 [*]
7. Work stoppages	4.29	4.27	2.92	.02 [*]	1.37 ^{**}	1.35 ^{**}
8. Labour relations	4.36	4.73	3.85	-.37 ^{**}	.51 ^{**}	0.88 ^{**}
All items taken together	4.40	4.43	3.49	-.03 [*]	.91 ^{**}	0.94 ^{**}

Notes: When mean score of management personnel or of government officials is greater than that of workers (-) sign is used.

* Not significant

** $P < .01$

[@] $P < .05$ (two-tailed t-test).

6.8 Statutory Basis for Participation

In order to elicit the attitudes of the actors in the industrial relations system toward the legality of participation, a sub-questionnaire comprising four forced-choice items was given to each respondent and was requested to indicate his own opinion on each of the accompanying statements by putting a ring around any of the five response categories. Table 6.8.1 shows the percentage of respondents endorsing each response category and the mean score on each statement. A look at the table unveils the significance of the differences of means between workers and management personnel, between workers and government officials, and between management personnel and government officials, for each item separately. The difference of the means between workers and management personnel is significant at .01 level of confidence for all items except item 1. The same is the result in case of management versus government. The difference of the means between workers and government officials is significant for items 2 and 3 only. This indicates similarities of opinions between the parties regarding item 1 (Participative management should be introduced with relevant statutory basis), but differences of opinions regarding items 2 (participation should be introduced by way of voluntary agreement between labour and management) and 3 (the possibility of leaving the introduction of participative schemes to the initiative and agreement of the parties pre-supposes the existence of organisation of employers and workers of approximately equal strength). Workers and management personnel differed in attitudes with regard to item 4 (in order to have a strong legal basis to introduce

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workers' participation in management, an amendment to this effect should be made in our national constitution), but government officials were very close to the workers in this respect.

Perusal of Table 6.8.1 reveals that the respondents in all the three groups looked favourably to introduction of participation with relevant statutory basis and to the existence of equally strong employers' and workers' organisations for successful introduction of participation by voluntary agreement between the partners of production. While none of the management personnel and government officials viewed voluntary participation most desirable, only one-seventh of the workers did feel so. Both the workers and government officials were favourably disposed toward inclusion of a clause on participation in the constitution.

Table 6.8.1: Legal Basis for Participative Management as Desired by the Workers, Management Personnel and Government Officials (Percentage of respondents endorsing each response category).

In the Context of Our Socio-economic Political background:	Response Category	Response Category					Mean Score	
		Not Desirable	Less Desirable	Undecided	Fairly Desirable	Most Desirable		
1. Participative Management should be introduced with relevant statutory basis.	W	0.00	1.85	7.41	34.26	56.48	4.45	
	M	0.00	3.33	6.67	36.67	53.33	4.40	
	G	0.00	0.00	0.00	38.46	61.54	4.38	
2. Participation should be introduced by way of voluntary agreement between Labour and management.	W	11.11	32.41	6.48	36.11	13.89	3.09	
	M	0.00	3.33	3.33	93.33	0.00	3.90	
	G	0.00	76.92	0.00	23.08	0.00	2.46	
3. The possibility of leaving the introduction of participative schemes to the initiative and agreement of the parties presupposes the existence of organisation of employers & workers of approx. equal strength.	W	0.00	7.41	5.56	43.52	43.52	4.23	
	M	0.00	0.00	0.00	10.00	90.00	4.90	
	G	0.00	15.38	23.08	61.54	0.00	3.46	
4. In order to have a strong legal basis to introduce workers' participation in management, an amendment to this effect should be made in our national constitution.	W	0.00	1.85	12.04	35.19	50.93	4.35	
	M	0.00	0.00	53.33	33.33	13.33	3.60	
	G	0.00	0.00	0.00	23.08	76.92	4.23	
Average across all items		W	2.78	10.88	7.87	37.27	41.21	4.03
		M	0.00	1.67	15.83	43.33	39.17	4.20
		G	0.00	23.08	5.77	55.77	15.49	3.63

Notes: W = Workers (N=108); M = Management Personnel (N=60); G = Government Officials (N=13)
 Scale: Not desirable = 1, Less desirable = 2, Undecided = 3, Fairly desirable = 4, Most desirable = 5.

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Table 6.8.2: Legal Basis for Participation: Percentage of Respondents who Considered the Items Most Desirable

Items (Summary)	Respondents (N=108)	Workers (N=60)	Management Personnel (N=60)	Government Officials (N=13)
1. Participation with statutory basis.		56	53	62
2. Participation through voluntary agreement.		14	-	-
3. Equally strong organisation of employers and workers for voluntary participation		44	90	-
4. A clause on participation in the constitution.		51	13	77

Table 6.8.2 shows that 90 per cent of management personnel and 44 per cent of the workers felt that if voluntary participation is to be instituted, there is definite need for the existence of employers' and workers' organisations with approximately equal strength. Workers not only favoured statutory participation, they also favoured the inclusion of a clause on participation in the national constitution. Interestingly enough, although management personnel supported the introduction of participation with statutory basis, they did not like to have participation clause to be included in the constitution.

Participation with statutory backing is often supported for real success in its implementation (Chandra, 1978). For example, one of the reasons for the failure of the joint management councils in India is believed to be their voluntary status. Similarly, in Pakistan and Bangladesh also workers' participation schemes in the form of works councils/works committees could not

make any headway due to lack of legal backing. It is thus believed that if participative management is to make positive contributions to the industrial system it should be made statutory.⁸

If some systems of participation are introduced by an enlightened management it would like to associate workers for achieving higher productivity, product improvement and efficiency, but the trade unions might assiduously attempt to utilise participative forums to improve their collective bargaining strength and to make an in-road into managerial power to safeguard the workers' interests and not to share the responsibilities of management. This kind of divergence of objectives can be narrowed down if the government formulates, by making it statutorily obligatory, a scheme of participation which would generally be on the grounds of economic power-equity and social justice. The government-initiated scheme may be such as to contribute to the "establishment of working class centres of authority within the hostile framework of capitalist society" or to bring about "a dual relationship in which one human party constraints (superintends, supervises) another."⁹

6.9 Participative Management and Government Policy

The attitudes of workers and management personnel toward the government policy on participative management are presented in Table 6.9.1. Out of six items, two items were related to the government's decision regarding the establishment of "Participation Committee" in the industrial undertakings of Bangladesh, as per the provisions of the Industrial Relations (Amendment) Act, 1980, and the remaining four items

Table 6.9.1: The Actors' Attitudes Toward the Government Policy on Participative Management (percentage of respondents endorsing each response category)

	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean Score	
	W	M	W	M	W	M	W	M	W	M		
The Government's Decision Regarding the Establishment of Participation Committee (Industrial Relations Amendment Act, 1980) is:												
1. Politically motivated.	4.63	6.67	24.07	56.67	9.26	-	29.63	36.67	32.41	-	3.61	2.67
2. A genuine desire to involve workers in decision-making process.	59.26	-	28.70	-	-	-	12.04	16.67	-	83.33	1.65	4.83
I think that the Government's Scheme:												
3. Will result in more production and better efficiency.	30.56	10.00	40.74	43.33	-	-	28.70	46.67	-	-	2.27	2.83
4. Will not undermine the trade union activities.	-	-	-	3.33	13.89	-	39.81	93.33	46.30	3.33	4.32	3.97
5. Will not be effective unless accompanied by fair wages, decent working and living conditions.	-	-	1.85	-	7.41	-	32.41	50.00	58.33	50.00	4.47	4.50
6. Will be able to generate future union leaders from rank and file	1.85	10.00	7.41	40.00	-	-	33.33	50.00	57.41	-	4.37	2.90
Average across all items	16.05	4.45	17.13	23.89	5.09	-	29.32	48.89	32.41	22.78	3.45	3.62

*The mean differences are significant at .01 level.
**Not significant

W = Workers (N=108), M = Management

concerned themselves with the anticipated consequences of the aforesaid government decision. Table 6.9.1 discloses the fact that workers and management personnel did not hold uniform opinion on all the items save one which is not statistically significant. They held the same view on item 5 (government's scheme will not be effective unless accompanied by fair wages, decent working and living conditions). In all other items mean differences are statistically significant beyond one per cent level of confidence.

While a little more than four-fifths of the management personnel strongly agreed to item 2 (government's decision regarding the establishment of participation committee is a genuine desire to involve workers in decision making process), three-fifths of the workers strongly disagreed to the same item. More than half of the workers strongly felt that the government's scheme would be able to generate future union leaders from rank-and-file but none of the managerial people thought so - half of them simply favoured the idea. Managerial personnel felt that the proposed scheme would not undermine the trade union activities. The workers also felt in the same direction barring a few (17%). Seventy one per cent of the workers, as against 53 per cent of the management personnel, did not agree that the scheme would result in more production and better efficiency. Sixty per cent of the workers thought the government's scheme to be politically motivated, whereas sixty four per cent of the managerial personnel stood by the opposite pole on this point.

Our worker and management samples also endorsed their views on 'why our government wants participative management'. Table 6.9.2 shows that the differences of the means between workers and management personnel are significant at .01 level of confidence on all the six items. This is a clear indication of the absence of similarity of opinion between the two parties.

The statements that the Government wants participative management because it feels that (a) 'The enterprises belong to the workers and every worker in the enterprise ought to have a voice', and (b) 'it believes that the workers will work harder', have been rejected by the majority of the workers (more than 80 per cent). Management personnel also largely endorsed the workers' views with the former statement, while they remained undecided about the latter. Both the workers and management personnel felt that participation would, as the government believed, do away with the differences between workers and management, although the emphasis of both the parties varied (43 per cent of the management personnel agreed strongly as against 25 per cent of the workers). One-third of the workers, as against 3 per cent of the management personnel, strongly felt that the government wanted to strengthen its base among the millions of worker-voters in the country. Forty per cent of the management personnel and 26 per cent of the workers disagreed to this statement. With varying emphasis both the parties showed favourable attitudes toward item 6 (government believes that participation will lead to greater democracy). In the case of item 4 (Government wants to solve the labour problems in the enterprise), although a substantial number of management personnel remained indifferent, the workers had clear-cut views - they leaned towards the upper side of the scale.

Table 6.9.2: Government's Desire for Participative Management as Perceived by the Workers and Management (Percentage of Respondents Endorsing each Response Category).

	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree		Mean Score*
	W	M	W	M	W	M	W	M	W	M	
1. The enterprises belong to the workers & every worker in the enterprise ought to have a voice.	46.30	3.33	41.67	60.00	-	-	12.04	36.67	-	-	1.78
2. It believes that participation will go away with the differences between workers and management.	-	-	7.41	-	12.04	3.33	55.56	53.33	25.00	43.33	3.98
3. It wants to strengthen its base among the millions of worker-voters in the country.	1.85	-	25.93	40.00	12.04	3.33	27.78	53.33	32.41	3.33	3.63
4. It wants to solve the labour problems in the enterprise.	-	-	1.85	6.67	2.78	43.33	41.67	10.00	53.70	40.00	4.47
5. It believes that the workers will work harder.	22.22	-	61.11	3.33	-	50.00	16.57	6.67	-	40.00	2.11
6. It believes that participation will lead to greater democracy.	-	-	-	-	8.33	-	49.07	90.00	42.59	10.00	4.34
Average across all items.	1173	0.56	23.00	18.33	5.87	16.67	33.80	41.57	25.62	22.78	3.39

*The differences in mean scores between workers and management personnel are significant at .01 level.

W = Workers (N=108), M = Management Personnel (N=60).

6.10 Organisational Climate for Participative Management

Table A.5 in Appendix A shows the perceived and desired views of workers and management personnel regarding organisational climate for participative management. Organisational climate has been measured from the opinion of the respondents expressed on ten items in a closed sub-questionnaire.¹⁰ The mean differences between actual and desired opinion on all the items are statistically significant beyond one per cent level of confidence. Thus, it is obvious that the existing organisational climate for participative management as perceived by the partners in production clearly differs from what they desire to be.

Taking a criterion of 2 and below (between disagree and strongly disagree) none of the items could achieve this level in the case of workers. This implies that existing organisational climate, as viewed by workers, was not conducive to workers' participation in management. On the average, the management personnel also shared the workers' view (average perceived mean being only 2.00 as against 1.70 of workers). The workers and the management personnel, however, differed in their perceived. Opinion on items 2, 3, 5, 6, 7, 9 and 10 (vide Table 6.10.1).

Taking a criterion of 5 (essential), not a single item, as desired by both the parties, achieved this level. But if criterion is changed to 4 (very important) and above, one would find that all the items achieved this level except items 3 (only workers) and 7 (management personnel). Almost all the job conditions described in the ten statements were absent but highly desired by both the workers and management personnel. The mana-

gement personnel were indifferent to item 7 (managers/supervisors show thoughtfulness and consideration for others) which they considered to be quite important. Likewise, the workers felt that the managers and supervisors did not remain aware of the state of the company's morale and did not do everything possible to make it high (item 3), but they thought it to be quite important.

Table 6.10.1 further shows that there are dissimilarities of opinions between workers and management personnel in respect of desired organisational climate for participative management on items 1, 2, 5, 7, 8, 9, and 10. The maximum divergence (significant at one per cent level of confidence) happened on all these items except item 8 ($P < .05$).

The desired mean scores of both workers (4.37) and management personnel (4.31) being very high indicate that both the parties equally desired for better organisational climate that might be conducive to participative management. Although existing organisational climate is not congenial for participative management, which finds its expression in the overall perceived mean scores (workers, 1.70 and management personnel 2.01), the future does not seem to be bleak.

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Table 6.10.1: Mean Response to Organisation Climate for Participative Management

Content	Workers (N=108)			Management Personnel (N=60)			Difference Between Perceived workers & perceived mgt.		Difference Between Desired workers & desired mgt.	
	Perceived	Desired	Difference	Perceived	Desired	Difference				
In our company Managers/ Supervisors:										
1. Give the subordinates a share in decision-making.	1.63	4.47	2.84	1.60	4.03	2.43	0.03*	0.44@@		
2. Inform the subordinates of the true situation, good or bad under all circumstances.	1.72	4.31	2.59	1.57	4.00	2.43	0.15@	0.31@@		
3. Remain aware of the state of the company's morale and does every thing possible to make it high.	1.66	3.97	2.31	1.50	4.00	2.50	0.16@	-0.03*		
4. Are easily approachable.	1.80	4.69	2.89	1.70	4.77	3.07	0.10*	-0.08*		
5. Confident, train & develop subordinates.	1.59	4.60	3.01	1.37	4.37	3.00	0.22@@	0.23@@		
6. Communicate effectively with subordinates.	1.78	4.52	2.74	2.53	4.43	1.90	-0.96@	0.09*		
7. Show thoughtfulness and consideration for others.	1.65	4.15	2.50	2.60	3.80	1.20	-0.95@@	0.35@@		
8. Make changes in ways of doing things.	1.62	4.28	2.66	1.70	4.47	2.77	-0.08*	-0.19@		

Contd.....

Table 6.10.1 (Contd.)

9. Support subordinates when they make mistakes not due to negligence.	1.66	4.13	2.52	2.80	4.63	1.83	-1.14	-0.45
10. Express appreciation when subordinates do a good job.	1.85	4.48	2.63	2.73	4.63	1.90	-0.78	-0.15
All items taken together	1.70	4.37	2.67	2.01	4.31	2.30	-0.31	0.06*

Notes: *Not significant.
 When workers' score is less than management personnel score (-) sign is used & vice-versa.
 @Significant at 0.05 level.
 @Significant at 0.01 level.

6.11. Workers' Influence in Decision-Making

An attempt was also made in the present study to assess the attitudes of both workers and management personnel toward different levels and modes of participation and to explore the relationship between the amount of participation that the workers should have and the amount they perceive they do have. With this end in view, a total of twenty one decisions were identified which are usually taken in an organisation. Depending upon the level of management where the decisions are taken, these issues are put under five categories, i.e., (a) distant level participation issues (six issues), (b) medium level participation (seven issues), (c) local level participation (five issues), (d) issues which require cooperation from both management and worker at all level (two issues) and (e) bonus issue (one item). The amounts of perceived and desired influence for each decision were indicated on five-point scales, and the subjects' responses to the items at each level summed to yield scores indicating their perceived and desired influence for different levels of participation. The mode or form of influence desired at each level was measured by a scale which required the subjects to indicate which of five alternative ways of participating they preferred for the various decisions at each level (see the Questionnaire in Appendix B).

The results are discussed in the following order:

(a) Perceived influence of workers in decision-making; (b) desired influence of workers in decision-making; and (c) desired way of involving workers in decision-making.

(A) Distant Level Influence:

Workers' perceived and desired influences in distant level decision areas are shown in Table 6.11.1. The perceived mean scores in none of the areas exceeded 2.00 indicating that workers had virtually no influence in the distant level decision areas. Ninety per cent endorsed the first two scale points on the average across all items implying that they had exerted no influence or very little influence in distant level decision-making.

The desired mean score for each area exhibited a strong desire of the workers for participation in distant level decision-making. Equal number of workers (39 per cent), across all items, expressed a preference for 'considerable' or 'complete' influence (response categories 4 and 5). The workers were unanimous on the first scale (no influence at all) - they were against the view that they should not have any influence in the strategic decision areas which have traditionally been regarded as jealously guarded prerogatives of management. Over 45 per cent desired complete influence in the three areas of distant level decision-making: they are, (D1) formulation of overall organisational policy and their implementation, (D3) operation of sanctioned budget and (D6) formulation of recruitment policy of executives. About half of the workers opted for considerable influence in (D2) formulation of marketing policy and (D5) expansion and diversification of business. A very negligible number opted for the intermediate degrees of influence.

Table 6.11.1: Perceived and Desired Influence in Distant Level Decision-making among Industrial Workers (N=108)

Decision Area	Percentage of workers endorsing each response category in the Actual Scale*					Mean Score	Percentage endorsing each response category in desired scale**					Mean Score
	1	2	3	4	5		1	2	3	4	5	
D1 Formulation of overall organisational policy and their implementation.	62.96	29.63	0.00	7.41	0.00	1.52	0.00	1.85	13.89	37.04	47.22	4.30
D2 Formulation of marketing policy.	62.96	31.48	0.00	5.56	0.00	1.48	0.00	3.70	16.67	50.93	28.70	4.15
D3 Operation of sanctioned budget.	61.11	30.56	0.00	8.33	0.00	1.56	0.00	20.37	34.26	45.37		4.25
D4 Allocation of profits between investment, dividends and reserves	59.26	23.15	0.00	17.59	0.00	1.76	1.85	2.78	18.52	39.81	37.04	4.07
D5 Expansion and diversification of business	63.89	28.70	0.00	7.41	0.00	1.51	1.85	4.63	14.81	49.07	29.63	4.00
D6 Formulation of recruitment policy of executives/offers.	57.41	29.63	0.00	12.96	0.00	1.69	0.00	16.67	13.89	23.15	26.30	3.99
Average across all items	61.27	28.86	0.00	9.88	0.00	1.59	0.62	4.94	16.36	39.04	39.04	4.11

*1 = No Influence, 2 = Very little Influence, 3 = Influence to some extent, 4 = Quite a lot of influence, 5 = Influence to a great extent.

**1 = Not at all, 2 = slightly, 3 = Moderately, 4 = Considerably, 5 = Completely.

@The differences between the means of Actual and Desired responses is statistically significant beyond the one per cent level of confidence.

(B) Medium Level Influence:

Worker's desires for medium level influence and their perceptions of the current practice are depicted in Table 6.11.2 from which it is evident that workers had little influence over the decision areas in medium level but they desired for much more influence in these areas. The current practice is far removed from the ideal. Ninety one per cent reported, across items, they had very little influence or no influence at all in the seven areas of the medium level decision-making. Very few thought they could exercise a lot of influence (8 per cent).

On the contrary, as Table 6.11.2 discloses, there existed among the workers considerable agreement concerning their desire for medium level influence. Most of the workers felt they should exert considerable influence in the decision-making areas specified (response category 4). Forty four per cent desired to exercise complete influence in all the areas. Majority opted for response category 5 (complete influence) in formulation of policy of pay/allowances and other fringe benefits for workers (M5). In response category 4 (considerable influence) majority was clearly in favour of the development of training programmes for the workers (M2) and practice for handling grievances of workers (M6). In respect of influence 'to some extent' (response category 3) the percentage of respondents ranged from 4 to 12 in different areas. Nobody was found to opt for response category 1 (no influence). These figures are very far from those for the workers' perceptions. The difference between the means of the perceived and desired scores across all these items, as well as for each item individually, reflects the overall discrepancy

Table 6.11.2: Perceived & Desired Influence in Medium Level Decision-Making among Industrial Workers (N=108)

	Perceived Influence in terms of Percentage of Workers*					Desired influence in Terms of Percentage of Workers**					Mean Score [ⓐ]	
	1	2	3	4	5	1	2	3	4	5		
M1 Formulation of recruitment policy of workers.	50.00	39.81	0.00	10.19	0.00	1.70	0.00	5.56	6.48	41.67	46.30	4.29
M2 Development of training programs for the workers.	55.56	39.81	0.00	4.63	0.00	1.54	0.00	0.00	3.70	56.48	39.81	4.36
M3 Formulation of promotion policy for workers.	72.22	20.37	0.00	7.41	0.00	1.43	0.00	0.00	12.04	47.22	40.74	4.29
M4 Principle of taking disciplinary action.	57.41	35.19	0.00	5.56	1.85	1.59	0.00	1.85	5.56	50.93	41.67	4.32
M5 Formulation of policy of pay/allowances and other fringe benefits for workers.	65.74	22.22	0.00	12.04	0.00	1.58	0.00	0.00	4.63	37.04	58.33	4.54
M6 Practice for handling grievances of workers.	54.63	39.81	0.00	4.63	0.93	1.57	0.00	0.00	4.63	56.48	38.89	4.34
M7 Policy for rewarding workers for good work.	61.11	25.00	0.00	12.96	0.93	1.69	0.00	0.00	9.26	46.30	44.44	4.35
Average across all items	59.52	31.74	0.00	9.20	0.53	1.58	0.00	1.06	6.61	48.02	44.31	4.36

*Scale: 1 = No Influence, 2=Very little influence, 3 = Influence to some extent, 4 = Quite a lot of Influence, 5 = Influence to a great extent.

**Scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Considerably, 5 = Completely.

ⓐThe differences between the means of perceived and desired influence are significant beyond the one per cent level of confidence.

between the degree of influence the workers would like and reported they have at the medium level. The difference of mean scores for each item and for the average across all items is statistically significant beyond the one per cent level of confidence. This indicates high divergence between perceived and desired influence in decision-making in the medium level by the workers.

(C) Local Level Influence:

Table 6.11.3 shows the perceived and desired influence in the local level decision areas as reported by workers. It reveals that the workers did not have influence in these decision areas. Across all items 43 per cent reported they exerted no influence, while 39 per cent reported they had very little influence over the five areas in the local level decision-making. Only 16 per cent held the view that they experienced quite a lot of influence. Item-wise only 'provision for safety measures' (L4) could have been influenced quite a lot (response category 4) by majority of the workers. High consensus prevailed among the workers regarding response category 5 in that they did not have maximum influence in any of the areas.

The differences of mean scores between perceived and desired influence in each decision area being statistically significant at one per cent level of confidence indicate that the ideal influence of workers in the local level decision areas was far from practice. Across all items, majority of the workers (58 per cent) expressed a preference for 'complete' influence (response category 5), while 36 per cent leaned toward 'considerable' influence (response category 4). In none

Table 6.11.3: Perceived and Desired Influence in Local Level Decision-Making among Industrial Workers (N=108).

Decision Area	Perceived Influence in Terms of Percentage of Workers*					Mean Score	Desired Influence in Terms of Percentage of Workers**					Mean Score
	1	2	3	4	5		1	2	3	4	5	
L1 Arrangement for workers' housing	61.11	33.33	0.00	5.56	0.00	1.50	0.00	0.00	4.63	51.85	43.52	4.39
L2 Determining welfare prog-rammes/facilities for workers	41.67	42.59	0.00	15.74	0.00	1.90	0.00	0.00	4.63	42.59	52.78	4.48
L3 Way of maintaining good working conditions	47.22	38.89	0.00	13.89	0.00	1.81	0.00	0.00	10.19	43.52	46.30	4.35
L4 Provision for safety measures	16.67	37.96	0.00	43.52	1.85	2.76	0.00	7.41	1.85	11.11	79.63	4.63
L5 One's work (sequence, method, coordination and evaluation of work)	48.15	41.67	0.00	2.78	7.41	1.80	0.00	5.56	0.00	27.78	56.67	4.56
Average across all items	42.96	38.89	0.00	16.30	1.85	1.95	0.00	2.59	4.26	35.37	57.78	4.48

*Scale: 1 = No influence, 2 = Very little influence, 3 = Influence to some extent, 4 = Quite a lot of influence, 5 = Influence to a great extent.

**Scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Considerably, 5 = Completely.

①The differences between the means of perceived and desired influence have been found to be statistically significant at .01 level of confidence.

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of the areas workers opted for response category 1 (no influence at all) or 2 (slight influence) or 3 (moderate influence). It can thus be inferred that workers liked to do the work in the way they think best. A perusal of Table 6.11.3 further indicate some differences in the desire associated with particular decision areas. The desire for control, for example, over safety measures was higher than in other areas. This is a reflection of the physical safety involved which the workers are solely able to look after without much help from the management. The mean score of 4.56 in area L5 suggests that workers aspired for maximum freedom or autonomy in determining the sequence and method of their own work as well as its coordination and evaluation.

(D) All-level Cooperation & Bonus Issues:

Perceived and desired influence of workers in issues requiring cooperation of both workers and management at all levels and in bonus issue is presented in Table 6.11.4. Introduction of new technology and increasing productivity - these two decision areas require cooperation of workers and management at all levels in the organisation. But in these two areas and also in the way of determining rate of bonus the workers felt that they exerted little influence. Nearly all of the workers expressed their opinion on the first two scales indicating that they had very little or no influence at all. In contrast to their perceptions, they exhibited a very high desire for influence in these areas. Majority desired for 'complete' control (response category 5) over the three issues specified. Among these three issues their highest desire was for influence over the way of determining the rate of bonus where they experienced the lowest degree of influence.

Table 6.11.4: Perceived and Desired Influence of Workers in Issues Requiring Cooperation of both Workers and Management at All Levels and in Bonus Issue (N=K18).

Decision Area	Perceived influence in Terms of Percentage of Workers*					Mean Score	Desired Influence in Terms of Percentage of Workers**					Mean Score
	1	2	3	4	5		1	2	3	4	5	
C1 Introduction of new technology.	47.22	38.89	0.00	13.89	0.00	1.81	0.00	0.00	13.89	44.44	41.67	4.28
C2 Increasing productivity.	53.70	35.11	0.00	10.19	0.00	1.67	0.00	0.00	1.85	45.30	51.85	4.50
Average across all items	50.46	37.50	0.00	12.04	0.00	1.74	0.00	0.00	7.87	45.37	46.76	4.39
P1 Way of determining rate of production.	56.48	41.67	0.00	1.85	0.00	1.47	0.00	0.00	0.00	29.63	70.37	4.70

*Scale: 1 = No influence, 2 = Very little influence, 3 = Influence to some extent, 4 = Quite a lot of influence, 5 = Influence to great extent.

**Scale: 1 = Not at all, 2 = Slightly, 3 = Moderately, 4 = Considerably, 5 = Completely.

†The differences between the means of perceived and desired influence are significant at .01 level of confidence.

Workers' Influence in Decision-Making: An Overview

As shown in Table 6.11.5, not only workers, management personnel also perceived that workers in their organisation had very little influence over all categories of issues. However, both the groups indicated that level of workers' influence should be more than what they currently do have. Workers should maximum and minimum desire to participate in bonus issues and distant level issues respectively, whereas management personnel expressed maximum and minimum interest to accept workers' influence in local level issues and distant level issues respectively. Workers' participation in decision-making in the local level decision areas is equally desired both by workers and management personnel. Management personnel also showed substantial interest to accept workers' influence in issues which require cooperation of both workers and management at all levels. Although management personnel desired much less influence than workers in the distant level, medium level and bonus issues, their mean desire scores did not in any way indicate management's anti-participation attitude.

An examination of the mean desired influence scores of workers suggests that the workers in large majority desired considerable influence over decisions at different levels. The workers' greatest interest, however, was in decisions affecting the bonus scheme and local level issues like sequence and method of work, safety measures, working conditions, welfare programmes and workers' housing facilities. It is also apparent that workers desired almost same influence at the local participation level, and more influence at the medium level than they did at the distant level. This trend is reflected in the fact that the mean desired influence score of the workers is not significant ($P < .05$) for local and medium level decisions but it is

CHAPTER NINE

SUGGESTIONS
AND
RECOMMENDATIONS

Table 6.11.5: Mean Responses to Workers' Influence in Decision-Making.

Issues	Workers (N=109)		Management Personnel (N=60)		Differences			
	Perceived	Desired	Difference between desired & Perceived	Perceived	Desired	Difference between desired & Perceived		
a) Distant Level Participation,	1.59	4.11	2.52	1.49	3.27	1.78	0.10*	0.84**
b) Medium Level Participation	1.58	4.36	2.78	1.49	3.98	2.49	0.09*	0.39**
c) Local Level Participation	1.95	4.49	2.53	2.01	4.48	2.47	-0.06*	0.0*
d) Issues which require cooperation of workers and Management at all Levels	1.74	4.39	2.65	1.48	4.02	2.50	0.26@	0.37**
e) Bonus Issue	1.47	4.70	3.23	1.63	3.57	1.94	-0.16**	1.13**
f) All Issues Taken Together	1.67	4.11	2.74	1.62	3.86	2.25	0.05*	0.54**

*Not significant.
 **p < 0.01 (two-tailed t-test) @ p < 0.05

When management personnel score is more than that of workers (-) sign is used and vice-versa.

significantly greater ($P < .01$) for medium than for distant level decisions. The management samples confirmed the general belief that management does not like much influence by workers in managerial decisions. This is obvious from the fact that the difference of mean desired influence scores in all the issues, except the local level ones, between workers and management is significant at the one per cent level of confidence.

Five main conclusions emerge from the above analysis with respect to the demand for participation:

1. The workers exhibit a strong desire to influence decision-making at all levels including the strategic decisions which are traditionally taken at the top level of the undertaking.
- * 2. It is the bonus issue where the greatest increase in participation is desired. The next most important level is the medium level where desire for participation is stronger than in others.¹¹
3. Management is in favour of participation of workers mainly in the local level issues and the issues which require cooperation of both workers and management at all levels.
4. Workers want to become more involved in decisions affecting financial interests and their immediate tasks than in more remote decisions concerned with the overall running of the enterprise.
5. Management do not like workers to have more than 'moderate' influence in distant level decision areas and in bonus issues.

6. The degree of congruence between the desired level of workers' influence as expressed by both workers and management personnel in issues which require cooperation from both sides at all levels, local and medium level issues augurs well for the possibility of genuine participation in these issues.

There is the general assumption that demographic characteristics are likely to determine attitudes toward participation of workers in decision-making. Age, education, income, experience and skill were all investigated as possible correlates of attitudes toward participation. From a look at Table 6.11.6 it becomes evident that age, education, income, skill and length of service of workers were unrelated to desired influence of workers in decision-making at all levels as a whole. Thus, the attitude of workers concerning the degree to which they should participate were independent of the five individual difference variables considered. Experience or length of service of management personnel was also found unrelated to desired workers' influence in decision-making. However, age, education level and income of management personnel were found to have significantly correlated with desired influence.

In two separate studies by Wall and Lischeron (1977) among hospital nurses and local authority workers (Lischeron and Wall, 1975), skill and length of service of employees were also found to be unrelated to desired influence in all the decision areas considered, a finding corroborated by the findings of our present study. Hespe and Wall (1976), however, found negative association of age with the desire for medium and distant participation

Table 6.11.6: Pearson Correlation among Disred Workers' Influence in Decision-making and Demographic Characteristics of Respondents

		Age	Education	Income	Experience	Skill
Workers (N=108)	P	-.10 NS	-.09 NS	-.10 NS	.02 NS	.03 NS
Management Personnel (N=60)	P	.35 ∠.01	.83 ∠.01	.63 ∠.01	.06 NS	-

but according to them "..... age and length of service have been revealed to be weak predictors of desired participation.."
(P. 422).

6.12 Mode of Participation Desired

Both workers and management personnel were asked to indicate how they wanted to involve workers in decision-making in different categories of issues. The results of their responses are presented in Table 6.12.1 and Table 6.12.2. While in distant and medium level participation issues majority of workers preferred joint decision-making, most of the managerial people consider these issues as management prerogatives. Both the groups showed considerable desire for joint decision-making in local level and bonus issues indicating that greater involvement of workers in these two important issues of immediate interest to workers is possible. Although a little more than one-third of the workers admitted that distant level issues were management's prerogatives, approximately one-fourth of the management personnel felt that the company might share information with the workers. In respect of medium level issues 47 per cent of the management personnel felt them to be mana-

Table 6.12.1: Desired Mode of Involving Workers in Taking Decisions in Different Categories of Issues (Percentage of respondents endorsing each response category).

Decision Area	Management Prerogative		Joint Decision Making		Collective Bargaining		Consultation		Information Sharing	
	W	M	W	M	W	M	W	M	W	M
D1 Organisation policy	30.00	66.25	45.80	4.00	-	-	14.50	6.75	9.70	23.00
D2 Marketing policy	33.75	69.00	50.00	3.25	-	-	13.00	8.00	3.25	19.75
I D3 Operation of budget	26.70	56.75	61.30	7.00	-	-	2.00	12.00	10.00	24.25
S T D4 Allocation of profits	29.00	70.00	53.50	2.25	-	-	2.75	2.75	14.75	25.00
A N D5 Expansion & diversification	71.60	74.75	18.25	-	4.75	-	2.00	4.00	3.40	21.25
T D6 Recruitment policy of executives	26.50	75.00	48.00	-	10.00	-	7.50	6.25	8.00	18.75
Average across items	36.26	68.63	46.14	2.75	2.46	-	6.96	6.63	8.18	22.00
M1 Recruitment policy of workers	12.25	48.75	56.00	7.00	20.00	30.00	9.75	13.00	2.00	1.25
M2 Workers' training	9.00	41.25	47.75	9.25	14.00	28.50	25.25	9.50	4.00	11.50
M3 Promotion of workers	6.75	50.00	72.25	6.50	7.00	30.00	7.25	13.50	6.75	-
D I M4 Disciplinary action	7.00	43.25	79.75	10.00	7.25	33.75	2.00	10.00	4.00	3.00
M5 Policy for pay/allowances etc.	8.75	71.00	45.75	5.75	30.00	20.00	5.75	3.25	9.75	-
M6 Handling grievances of workers	13.00	35.50	36.25	11.75	49.00	39.00	1.75	10.5	-	3.75
M7 Rewarding workers for good work	11.25	39.25	62.00	13.00	19.00	30.00	1.50	15.00	6.25	2.75
Average across all items	9.71	47.00	57.11	8.96	20.89	30.18	7.61	10.68	4.68	3.18

Contd.....

Table 6.12.1: (Contd.)

L1	Workers' housing	-	14.25	72.50	62.00	6.75	2.75	18.00	-	2.75	21.00
L2	Welfare facilities for workers	5.00	29.00	69.00	51.50	13.75	1.75	12.25	2.00	-	15.75
O	L3 Maintaining good working conditions	5.25	1.00	70.00	56.75	15.00	3.50	7.75	28.75	2.00	10.00
A	L4 Safety measures	8.00	9.75	70.00	46.00	12.50	2.25	6.25	29.25	3.25	12.75
L	L5 One's work	-	5.00	79.75	73.00	-	-	9.25	14.25	11.00	7.75
	Average across all items	3.65	11.80	72.25	57.85	9.60	2.05	10.70	14.85	3.80	13.45
C1	Introduction of new technology	11.25	46.75	61.75	3.00	1.50	-	21.75	44.25	3.75	6.00
C2	Increasing productivity	9.75	25.75	73.00	4.00	1.25	2.25	13.50	46.75	2.50	21.25
	Average across all items	10.50	36.25	67.38	3.50	1.38	1.13	17.63	45.50	3.13	13.63
B1	Determining rate of bonus	-	31.00	70.00	48.00	18.00	1.00	12.00	12.50	-	7.50

Notes: W = Workers (N=108), M = Management Personnel (N = 60).

gement's prerogatives but 30 per cent agreed to allow collective bargaining at this level, as against 21 per cent of workers liked to decide jointly the issues which require cooperation of both workers and management at all levels, whereas nearly half of the management personnel preferred consultation between the two groups which was favoured only by 18 per cent of workers.

From Table 6.12.2 it is apparent that participation has to go much beyond information sharing, and suggestion. Further participation can not be restricted, as is evident from workers' preferences, to local level and bonus issues only if its success is desired in due course. Since the management personnel differed in their preferences for the mode of workers' participation in other issues, the start should be made in the local level initially and then it should be extended gradually to other areas.

To summarize this section, we may say that workers in general do not consider decision-making within the undertaking to be sole prerogatives of management. At all the levels of decision-making they are desirous of sharing it equally between themselves and management. Contrary to general belief, workers show much interest to participate with management in deciding the distant level issues. This kind of attitude probably stems from the nationalisation of industries which makes the workers feel that they are really the owners, as also propagated by the socialist-biased political parties, of the industries. Absence of private capitalist employers might also be the reason. Further, management personnel do not like to divest of their powers with respect to the policy issues having overall organisational implications. That management resents any attempt to wrest

Table 6.12.2: Desired Mode of Involvement/Participation in Decision-making in Different Categories of Issues (only first four ranks in terms of percentage of respondents has been tabulated).

Categories of Issues	Rank	Management Personnel (N=60)		Workers (N=108)	
		Mode of Involvement	Preferred %	Mode of Involvement	Preferred %
a) Distant level participation issues	1	Management prerogative	63.63	Joint decision-making	46.14
	2	Information sharing	22.00	Management prerogative	36.26
	3	Consultation and sugg.	6.63	Information sharing	8.18
	4	Joint decision-making	2.75	Consultation & Sugg.	6.96
b) Medium level participation issues	1	Management prerogative	47.00	Joint decision-making	57.11
	2	Collective bargaining	30.18	Collective bargaining	20.89
	3	Consultation and Sugg.	10.68	Management prerogative	9.71
	4	Joint decision-making	8.96	Consultation	7.61
c) Local level participation issues	1	Joint decision-making	57.85	Joint decision-making	72.25
	2	Consultation	14.85	Consultation	10.70
	3	Information sharing	13.45	Collective bargaining	9.60
	4	Management prerogative	11.80	Information sharing	3.80
d) Issues which require management & workers' cooperation at all levels	1	Consultation	45.50	Joint decision-making	67.38
	2	Management prerogative	36.25	Consultation	17.63
	3	Information sharing	13.63	Management prerogative	10.50
	4	Joint decision-making	3.50	Information sharing	3.13
e) Bonus issue	1	Joint decision-making	48.00	Joint decision-making	70.00
	2	Management prerogative	31.00	Collective bargaining	18.00
	3	Consultation	12.50	Consultation	12.00
	4	Information sharing	7.50	--	--

power from them in distant level issues as well as in introduction of new technology and increasing productivity is reflected in their support for information sharing and consultation only in these decision areas.

6.13 Preconditions for Participative Management

Table A. 8 shows the preconditions desired by workers, management personnel and government officials for successful implementation of participative management in the undertakings. The instrument used to find out the attitudes of the parties was a sub-questionnaire with 16 forced-choice statements along a five-point scale. The scale had five steps from 'not essential' to 'most essential'. Table 6.13.1 summarises the mean responses of the samples where it is found that the mean differences between the workers and the management personnel are statistically significant in items 1, 6, 8, 9, 10, 11, 13 and 16 (at .01 level of confidence) and also in items 3, 4 and 12 (at .05 level of confidence). The differences of means between workers and government officials are significant at .01 level of confidence in all the items except items 5 ($P < .05$), 4, 6 and 16 ($P > .05$). The mean differences between management personnel and government officials are also significant at .01 level of confidence in all the items except items 10 ($P < .05$) and 4 ($P > .05$). It can, therefore, be inferred that the attitudes of the three groups of respondents are not the same toward most of the desired preconditions for participative management.

Table 6.13.1: Mean Responses to Preconditions for Participative Management

Sl. No.	Summary Contents	Mean Responses			Differences between		
		(W) N=108	(M) N=60	(G) N=13	W&M	W&G	M&G
1.	Decentralisation of authority	4.30	3.90	2.92	.40**	1.38**	.98**
2.	Education of employees	4.37	4.43	3.54	.06*	.83**	.89**
3.	Efficient channels of communication	4.21	4.43	3.54	.22@	.67**	.89**
4.	Non-political company leadership	4.20	4.40	4.38	.20@	.18*	.02*
5.	Attitudinal change in workers and management	4.39	4.47	4.23	.08*	.16@	.25**
6.	Complete sharing of information	4.08	4.53	4.08	.45**	.00*	.45**
7.	Participation through plant level representatives...	4.27	4.40	4.08	.13*	.19**	.32**
8.	Strong trade unionism	4.27	4.80	3.77	.53**	.50**	1.03**
9.	One established union	3.39	2.87	2.15	.52**	1.24**	.72**
10.	Clear-cut jurisdiction of collective bargaining...	4.16	3.67	3.92	.49**	.24**	.25@
11.	Management's acceptance	4.40	4.77	3.77	.37**	.63**	1.00**
12.	Clear objectives of participation	4.27	4.43	3.85	.16@	.42**	.58**
13.	Harmonious industrial relations	4.28	4.93	3.77	.65**	.51**	1.16**
14.	All level participation	4.34	4.37	4.00	.03*	.34**	.37**
15.	Voluntary and grass-root origin	3.44	3.60	1.77	.16*	1.67**	1.83**
16.	Upholding manager's formal authority	4.18	4.83	4.08	.65**	.10*	1.75**
	Average	4.16	4.30	3.62	.14*	.54**	.68**

Note: W = Workers, M = Management Personnel and G = Government Officials

*Not Significant

**P.01 (two-tailed t-test)

@P.05 (two-tailed t-test)

An examination of Table 6.13.1 reveals that the maximum divergence of opinion between workers and management personnel happened on eight items. When this table is read with Table A.8 in Appendix A, it becomes evident that while 45 per cent of the workers considered item 1 (decentralisation of the organisation structure as well as of the authority) most essential, only 3 per cent of the management personnel agreed with workers' views. Similarly, one-fourth and more than one-third of the workers respectively felt that items 9 (presence of only one established trade union in each industry) and 10 (clearly defined area of collective bargaining and non-merging of collective bargaining and participative management) were most essential preconditions for participation, but around nine-tenths of the management personnel voted against the views of the workers. In a like fashion, while more than 80 per cent of the management personnel viewed items 8 (existence of strong trade unionism in the enterprise), 11 (management's recognition and acceptance of the concept of democratization of work place), 13 (harmonious industrial relations climate) and 16 (it must not threaten to undermine manager's formal authority) as most essential preconditions for participation, less than half of the workers did not agree with the management personnel on these items. In item 6 (complete sharing of information by the company with the employees) also the divergence of attitude was very high. Sixty per cent of the management personnel endorsed it to be most essential as against 33 per cent of workers. These two groups of our samples also displayed remarkable attitudinal difference (significant at the 5 per cent level of confidence) on items 3,

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4 and 12. A little more than forty per cent of the workers, as against around half of the management personnel, felt that (3) efficient channels of communication, the participant's common perception and an appropriate system of rewards, and (4) freedom of organisation's leadership from the control of any political party are highly essential preconditions of participation. Clarity of the objectives of participative management (item 12) was considered most essential by 51 per cent and 43 per cent of workers and management personnel respectively.

With the exception of items 1, 9, and 15 all other items were considered 'very essential' by majority of the government officials. None of the items were viewed 'most essential' by them (see Table A.8).

6.14 Relationship Between Perceived and Desired Responses in Different Areas

Table 6.14.1 and Table 6.14.2 shows the product-moment correlation coefficients for the relationship between different areas as perceived and desired by workers and management personnel respectively. These tables contain only those areas which have both 'actual' and 'desired' responses. Relationship between 'actual and actual', 'actual and desired' and between 'desired and desired' has been depicted in the tables. As is evident from Table 6.14.1, as regards relationship between actual and actual, only attitude toward nationalisation of industries (NAT) was found to be inversely correlated with attitude toward workers' influence in decision-making (WIDM) which was significant at .05 level of confidence. As regards relationship between actual and desired, correlation was observed

Table 6.14.1: Product-Moment Correlation Coefficients for the Relationship between Different Areas as Perceived and Desired by Workers. ($N=108$)

		ACTUAL			DESIRED		
		NAT	PC	WIDM	NAT	PC	WIDEM
A C T U A L	NAT		.02	-.21**	-.27*	.06	-.02
	PC			.16	.12	-.21**	-.08
	WIDM				.32*	-.20**	-.21**
D E S I R E D	NAT					-.14	.04
	PC						.03
	WIDM						-

*Significant at .01 level of confidence

**Significant at .05 level of confidence.

TABLE 6.14.2: Product-Moment Correlation Coefficients for the Relationship between Areas as Perceived and Desired by Management Personnel. ($N=60$)

		ACTUAL			DESIRED				
		NAT	LEAD	PC	WIDM	NAT	LEAD	PC	WIDM
A C T U A L	NAT		.18	.01	-.03	-.20	-.04	-.02	-.06
	LEAD			-.57*	-.59*	-.06	.44*	.24	-.01
	PC				-.90*	.08	.14	.38*	.03
	WIDM					.15	-.11	-.35*	-.02
D E S I R E D	NAT						-.39*	.33*	.10
	LEAD							.19	.03
	PC								.02
	WIDM								-

Notes: NAT = Nationalisation, PC = Participation Characteristics, LEAD = Leadership Styles, WIDM = Workers' Influence in Decision-making.

*Significant at .01 level of confidence.

between NAT and NAT ($-.27$; $P < .01$), between participation characteristics (PC) and PC ($-.21$; $P < .05$), WIDM and PC ($-.20$; $P < .05$) and between WIDM and WIDM ($-.21$; $P < .05$). No significant correlation was found between desired responses in any area.

Perusal of Table 6.14.2 reveals that management personnel's perceived attitude toward NAT had no relationship with either actual or desired attitude in any of the areas. However, correlation was found between perceived styles of leadership (LEAD) and PC ($-.57$; $P < .01$), perceived LEAD and perceived WIDM ($-.59$; $P < .01$), and between perceived LEAD and desired LEAD ($.44$; $P < .01$). Similarly actual PC was correlated with actual WIDM ($-.90$; $P < .01$), and desired PC ($.38$; $P < .01$) and actual WIDM was inversely correlated with desired PC ($-.35$; $P < .01$). As regards relationship between desired and desired, only NAT was found to have correlation with LEAD ($-.39$; $P < .01$) and PC ($.33$; $P < .01$).

From above it follows that workers' perceived attitudes toward nationalisation were negatively related to perceived influence in decision-making and desired attitudes toward nationalisation. Similarly, perceived participation characteristics were negatively related to desired participation characteristics. Perceived influence was also inversely correlated with desired influence and positively to attitude towards nationalisation. One important point emerges from this interrelationship: the less the workers perceived their influence in decision-making the higher was their desire for the influence; and the less the perception of workers was to participation characteristics (in other words, organisational climate), the more was their desire for a better organisational climate. In case of management personnel, perceived attitudes towards workers' influence were independent of their desired attitudes.

6.15 Demographic Characteristics and Attitudes
Toward Different Areas

The relationship between the demographic characteristics (such as, age, income, experience, education, skill etc.) of the workers and the managerial personnel and their perceived and desired attitudes toward different areas have been presented respectively in Table 6.15.1 and Table 6.15.2. It is evident from Table 6.15.1 that the age, income and experiences of workers were significantly correlated to only perceived workers' influence in decision-making ($r = .22, .21$ and $.33$ and $P < .05, P < .05$ and $< .01$ respectively). Education of the workers was found to be positively correlated with perceived worker's influence in decision-making ($P < .01$), desired objectives of participation ($P < .01$), desired participation characteristics ($P < .01$) and desired preconditions for successful participation ($P < .05$) and inversely correlated with perceived impact of nationalisation ($P < .05$), perceived industrial relations ($P < .05$) and desired effect of participation ($P < .01$). Skill of workers had no positive relationship with any of the areas but desired legal basis for participation ($P < .05$). Skill was found to be negatively correlated with perceived participation characteristics ($P < .05$).

Table 6.15.2 shows the correlation between background information and the attitudes of managerial personnel to different areas. Age and education of managerial personnel were correlated with only desired influence by workers in decision-making (both are significant at $.01$). Significant positive correlation was found between income of management personnel and their

Table 6.15.1: Correlation Matrix for Workers (N = 108).

	ACTUAL					DESIRED							
	NAT	IR	GP	GI	PC	WIDM	NAT	OBJ	EFF	LEG	PC	WIDM	PRE
Age	-.03	-.01	.17	-.01	-.17	.22**	.12	.03	.01	-.07	.13	-.10	.03
Father's Occupation	.06	.17	.26*	-.08	-.01	-.25*	-.15	.03	.15	.12	.26*	-.11	-.03
Income	-.01	.04	.15	-.05	-.01	.21**	-.13	.04	.05	.05	.03	-.10	.04
Experience	.04	-.14	-.01	.03	.04	.33*	-.08	.09	-.09	-.04	.03	-.02	.09
Education	-.20**	-.23**	.14	.16	.03	.45*	.06	.39*	-.30*	.02	.26*	-.09	.21**
Father's Education	-.06	.14	.17	-.04	.08	.06	-.12	-.01	.04	-.05	.18	-.01	.07
Skill	.10	.13	.20	-.14	-.22**	-.06	-.07	-.14	.11	.24**	.02	.03	-.07

Notes: NAT = Nationalisation; PC = Participation Characteristics; WIDM = Workers' Influence in Decision-Making; IR = Inflation; REL = Relations; OBJ = Objectives of Participation; EFF = Effect of Participation; LEG = Legal Basis for Participation; GP = Government Policy; GI = Governments' Intention; PRE = Preconditions for Participation.

*P<.01

** P<.05

Table 6.15.2: Correlation Matrix for Managerial Personnel (N = 60)

	ACTUAL					DESIRED									
	NAT	IR	LEAD	GP	GI	PC	WIDM	NAT	LEAD	OBJ	EFF	LEG	PC	WIDM	PRE
Age	.04	.11	-.06	.02	.08	-.04	-.03	-.02	-.05	-.09	.03	-.05	.15	.35*	-.18
Income	-.01	.01	.04	-.10	-.18	.22	-.25**	-.05	.12	-.03	.25**	-.04	.07	.63*	-.05
Experience	.06	-.03	.06	-.12	-.19	.29**	-.32**	-.07	.02	-.10	.20	-.27**	.08	.06	-.08
Education	-.04	-.01	.01	-.01	-.04	.07	-.06	.08	.01	.01	.04	-.01	.05	.63*	-.03
Father's Occupation	.26**	.14	-.01	-.18	-.01	.03	-.10	-.15	-.21	-.11	.09	-.08	.06	.38*	.11
Father's Education	.11	.05	.14	.04	-.03	.08	-.14	-.13	-.08	-.17	.12	.05	-.10	.58*	.01

Notes: NAT = Nationalisation; LEAD = Leadership style; PC = Participation Characteristics; WIDM = Workers' Influence in Decision-making; IR = Industrial Relations; OBJ = Objectives of Participation; EFF = Effects of Participation; LEG = Legal Basis for Participation; GP = Government Policy on Participation; GI = Perceived Intention of the government; PRE = Preconditions for participation.

*Significant at .01 level of confidence

**Significant at .05 level of confidence.

desired attitudes toward legal basis for participation ($P < .05$) and desired influence of workers in decision-making ($P < .01$). Income and experience were negatively correlated with perceived workers' influence in decision-making (for both, $P < .05$). Experience was also found to be negatively correlated with desired legal basis for participation ($P < .05$) and positively with perceived participation characteristics ($P < .05$).

While father's education of workers was not related significantly to any of the variables, father's occupation was found to be negatively related to perceived workers' influence in decision-making and positively to perceived government policy and desired participation characteristics. Similarly, father's education as well as occupation of management personnel were significantly positively correlated with desired workers' influence in decision-making. Father's occupation was also found to be related positively to perceived impact of nationalisation.

FOOTNOTES

¹All of the items were selected with slight modifications from Walkers' investigation. Language facility, conciseness, clearness and adaptability to Bangladesh conditions determined the selection of each item. Cf. K.F. Walker, "Executives' and union leaders' perceptions of each other's attitudes to industrial relations: The influence of stereotypes", Human Relations, 15, 1962: 183-196.

²Government of Bangladesh, Ministry of Planning, Bureau of Statistics, Economic Indicators of Bangladesh, May 1980, (Table 9.1).

³Government of Bangladesh, Directorate of Labour, Bangladesh Labour Journal, 1977.

⁴See G.W. Brooks, The Sources of Vitality in the American Labour Movement, Cornell University, Ithaca, N.Y., 1960; S.G. Levine and B. Karsh, "Industrial Relations in the Next Generations", Quarterly Review of Economics and Business, February, 1961: 18-29; and, S. Petro, Power Unlimited: The Corruption of Union Leadership, Ronald Press, New York, 1959.

- 5 Autocratic leadership appears to be theoretically absent. But practically it is wholly present which finds its expression in the strict adherence to the company rules formulated by the central authority. To follow the systems and procedures laid down by the company is nothing but practice of autocratic leadership, unless the systems and procedures contain elements of other kinds of leadership.
- 6 In Bangladesh, the jute mills in the public sector (68 out of a total of 77 jute mills: see, for reference, Quarterly Summary of Jute Statistics, published by Bangladesh Jute Mills Corp., Vol. 29, 1980-81) virtually face no competition within the country. The price of the product is fixed on the basis of cost, not in relation to the market competition. As a result, it is difficult to assess the performance of these mills. Inefficiency is covered up by an upward revision of selling prices. Consequently, the management people have no opportunity of knowing how well they are doing and how much scope there is for improving performance. Under these circumstances, it is not unexpected of the managers to go by the wind.
- 7 Chatterjee (1969) carried out investigations in a large industrial undertaking in India. The sample included 55 middle managers.
- 8 For example, some advocate for statutory participation in the Indian industries. See S. Chandra, "Participative Management in India - Forms, Levels and Areas", paper presented in the National Seminar on Workers' Participation in Management held at Delhi from 28-30 November, 1978.
- 9 K.F. Walker, "Worker participation in management: Problems, practices and prospects", IILS Bulletin, No. 12, p. 5.
- 10 The questionnaire items were adopted from L.E. Greiner, "What managers think of participative leadership", Harvard Business Review, March-April, 1973.
- 11 This is reflected by the discrepancy between the degree of influence workers perceived and the degree they wanted to have (vide Table 6.11.5).

CHAPTER SEVEN

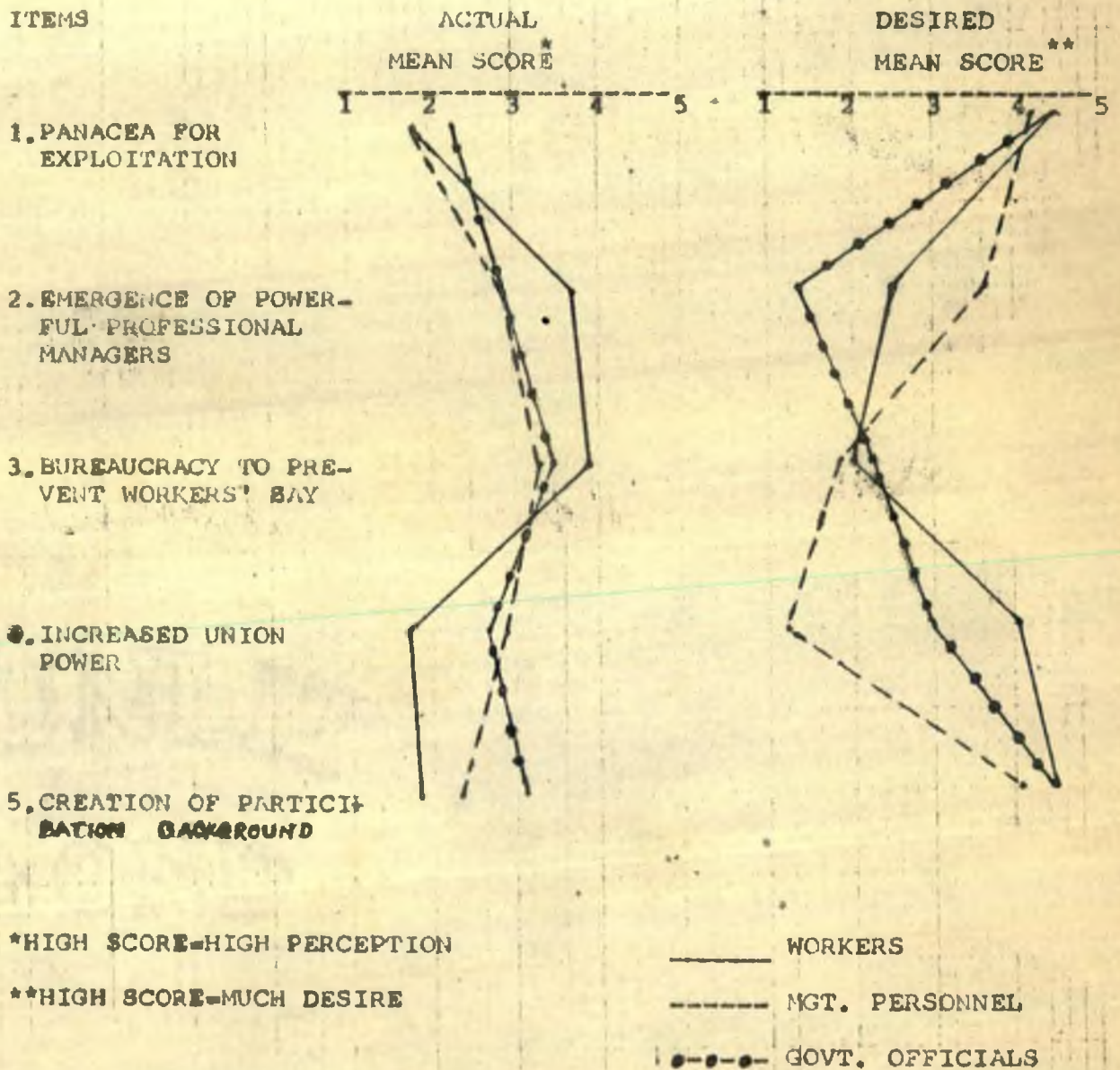
THE
FINDINGS

The important findings of the present study, as it follows from the analysis of the relevant data in the previous chapter, are incorporated below:

1. The principal partners in production, i.e., workers and management, did neither view the nationalisation policy as a panacea for the exploitation of workers by employers or top managers nor did they perceive that nationalisation of industries was in any way instrumental to creating the background for workers' participation in management. All the three actors felt that nationalisation did not create enormous power in the hands of union leaders at the plant level over the managers. Although the workers were near to the agree-level in respect of the two important impacts of nationalisation, that is, emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises and growth of bureaucracy which further prevents the workers to have their say, both the management personnel and the government officials reacted negatively to the former and almost in the similar fashion as of the workers to the latter.

Workers, management personnel and government officials unanimously favoured the idea, as is evident from Figure 7.1, that nationalisation should be a panacea for the exploitation of workers by employers

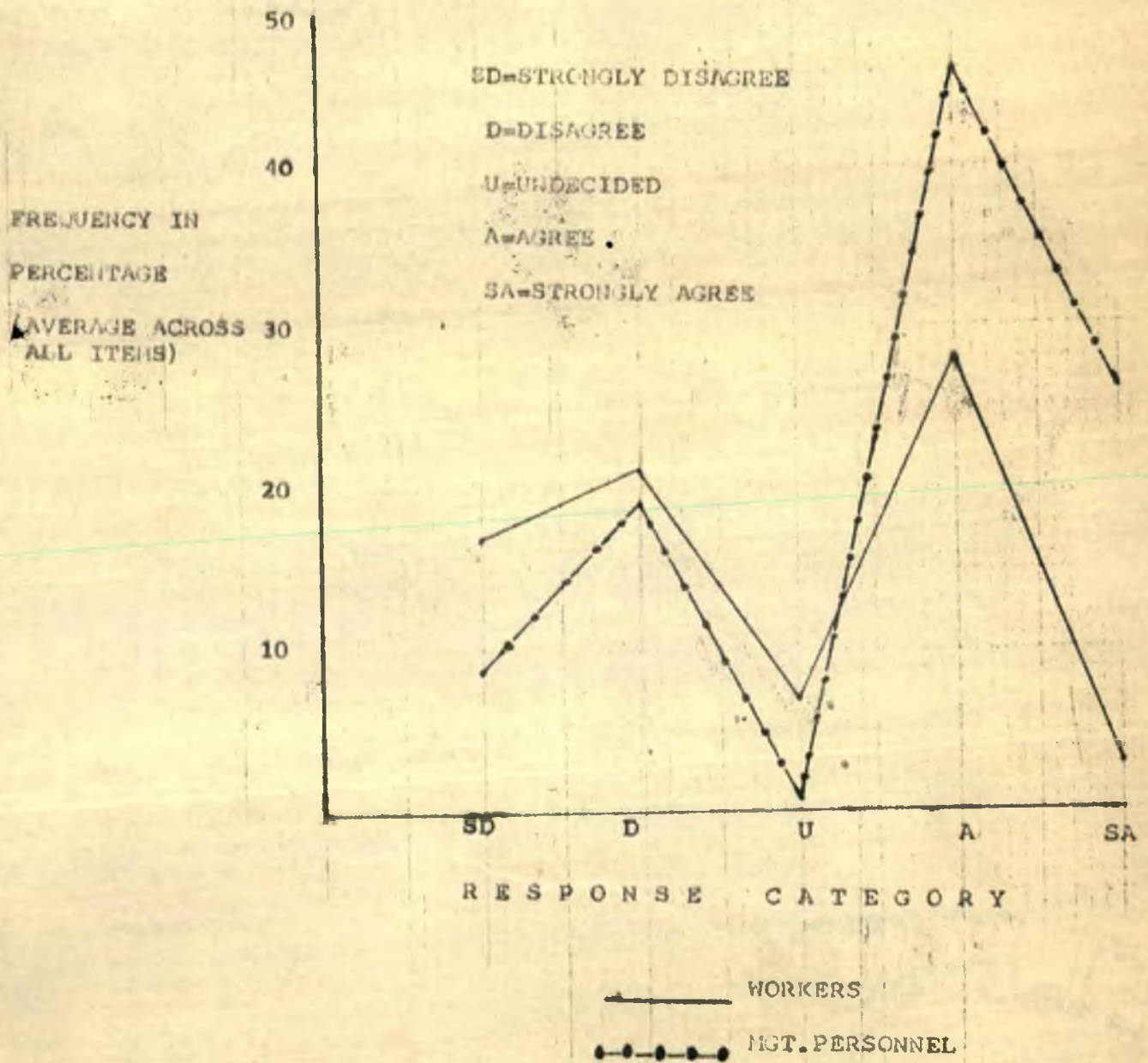
FIGURE 7.1: PERCEIVED AND DESIRED IMPACT OF NATIONALISATION OF INDUSTRIES



or top managers and that it should create the background for participation of workers in management. While the workers thought it very important to have enormous power in the hands of union leaders over the managers, the management personnel thought it of no importance and the government officials were undecided.

2. Industrial relations on the whole as perceived by workers and management personnel do not seem to be that much harmonious. Workers felt that most employees cooperate with management while management personnel opposed this view. Management personnel did not like to consult union more as against the workers' views. While management personnel thought that (i) a worker usually gets a fair return for the work he does, (ii) industrial relations system would be more peaceful without the arbitration system, and (iii) unions should restrict themselves to getting fair wages and working conditions for their members and keep out of the management of industry, workers were absolutely against such opinion. Workers felt, as opposed to the other partner, that the average union leader has as much ability as the average manager and that most employees take pride in their work. There is a yawning gap, as is evident from Figure 7.2, between the attitudes of the partners of production towards existing industrial relations.

FIGURE 7.2: FREQUENCY OF PERCEIVED INDUSTRIAL RELATIONS
(DATA FROM TABLE A.3)

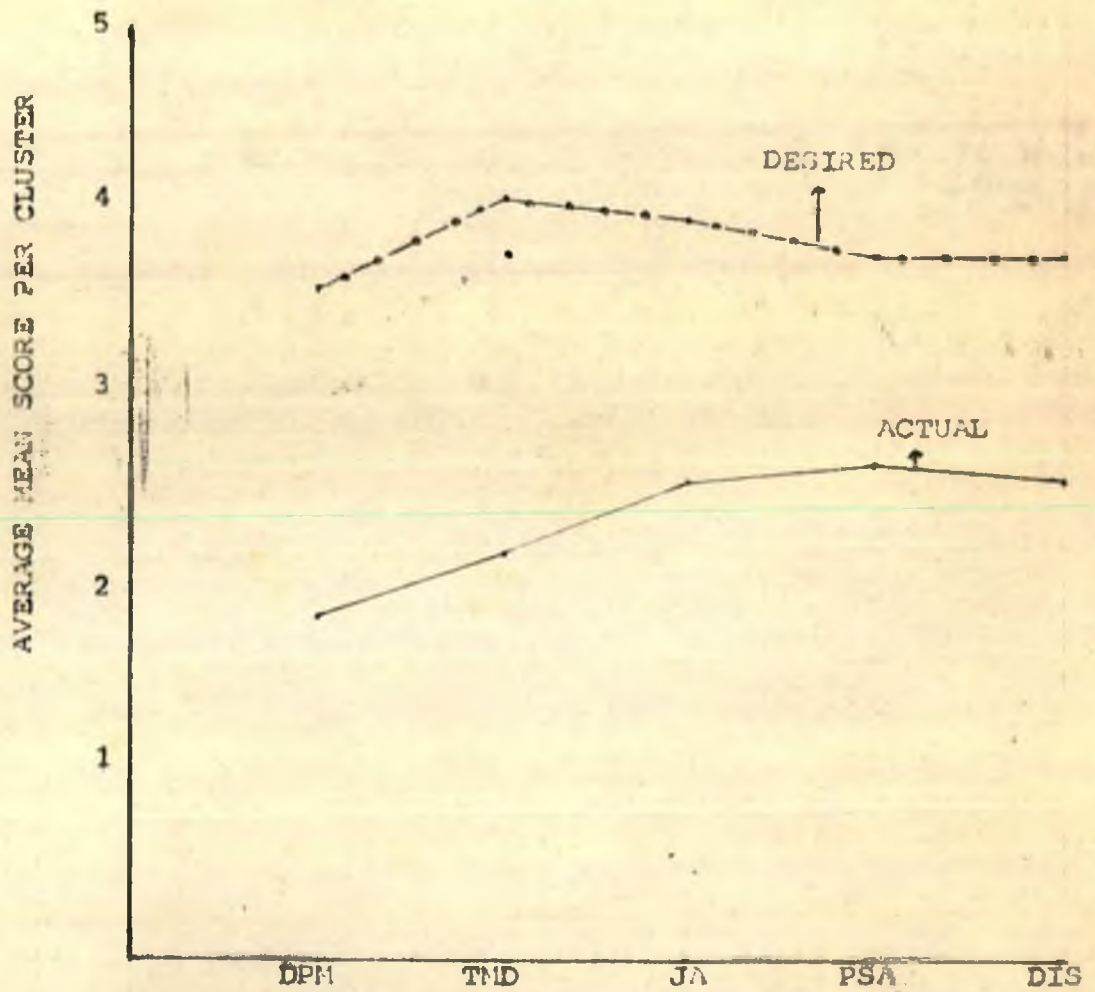


3. Four types of leadership styles, such as, laissez-faire, autocratic, bureaucratic rule-oriented, and democratic leadership, were identified in the study for the measurement of their presence in the enterprise concerned. It was found that the management personnel neither practised laissez-faire and autocratic leadership nor they exercised democratic leadership styles. They rather acted largely on the rules and procedures laid down by the company. Interestingly enough, the managerial personnel of the enterprise did neither aspire for autocratic nor democratic leadership, they were strongly in favour of bureaucratic rule-oriented style of leadership. Thus, it is apparent that what they practised, they also desired to continue the same irrespective of changes in situations.

Figure 7.3 further indicates that perceived control in decision-making by the management personnel was much far from ideal. In the decision-making areas, such as, departmental policy-making in connection with subordinates' work, determination of the techniques and methods of department, job assignment to subordinates, participation in subordinates' activity and maintenance of discipline, they had virtually little influence. They had to act in accordance with the systems and procedures laid down by the company. They, of course, desired much influence in decision-making in all the areas.

FIGURE 7.3: CONTROL IN DECISION MAKING AS PERCEIVED AND DESIRED BY MANAGEMENT PERSONNEL

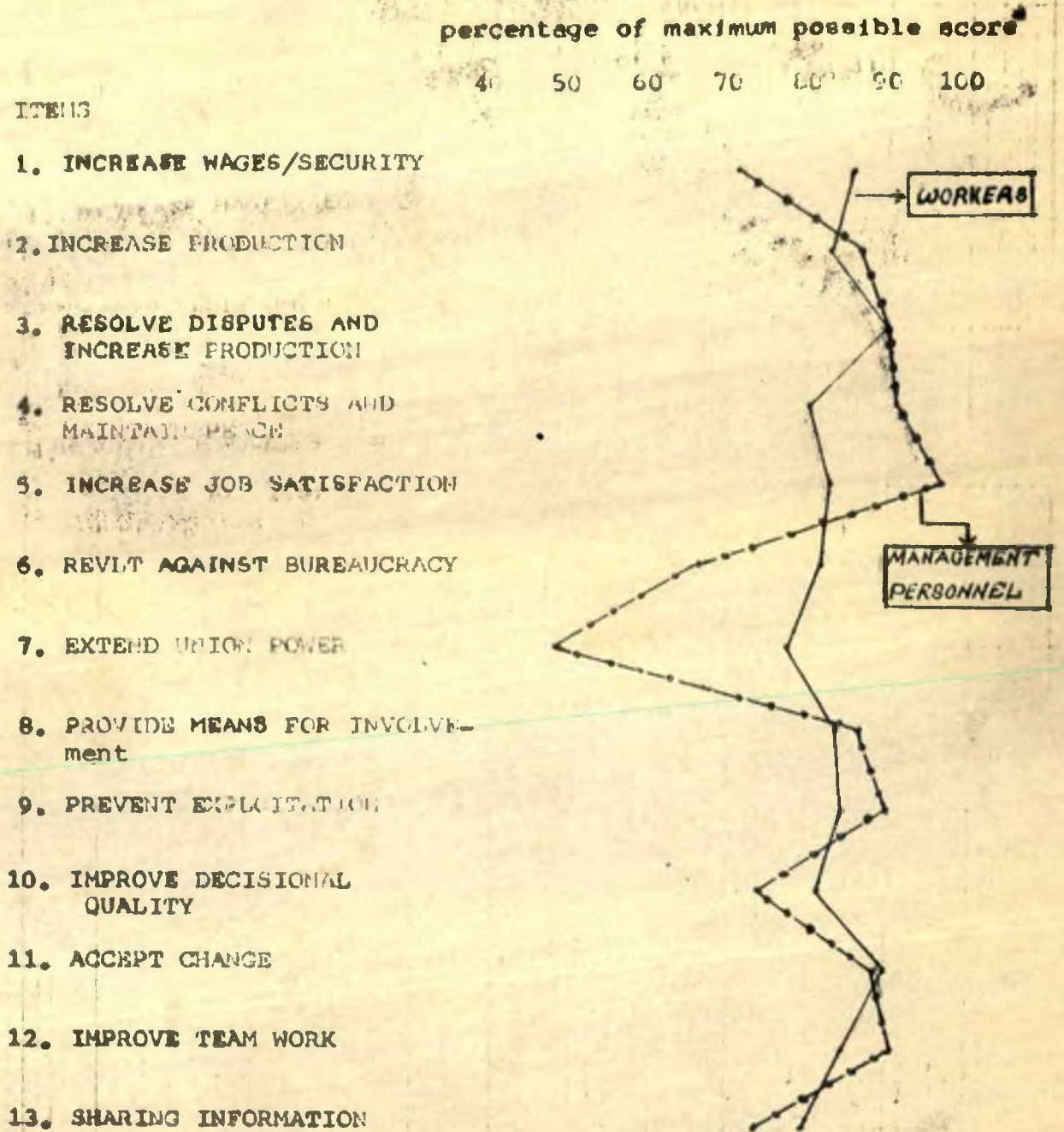
(DATA FROM TABLE A.4)



DPM= DEPARTMENTAL POLICY-MAKING
TMD= TECHNIQUES & METHODS OF DPTT.
JA= JOB ASSIGNMENT
PSA= PARTICIPATION IN SUBORDINATE'S ACTIVITY
DIS= DISCIPLINE

4. As regards workers' participation in management, the first area to be investigated was the meaning that the actors in the industrial relations system attached to the term 'participation'. The findings indicate that there did not exist a common conception of the term 'participation' between workers and management personnel, although government officials shared their views with workers. The workers and the government officials happened to understand by the concept of participation as "workers' representatives sit as real members of management but continue to work at their regular jobs." On the other hand, the management personnel selected the answer: "workers' representatives participate in discussions regarding managerial decision". This makes one point clear to us. Workers conceived of participation as real sharing of power with management while management personnel emphasized on sharing of information only. These findings are in conformity with the general assumption that there would be significant differences in the conception of the term 'participation' among the workers and the managerial people in the enterprise. The workers' positive view toward the most acceptable meaning of participation - that is, participation of workers' representatives in managerial decisions while remaining workers at their regular jobs - is close to the ideological formulation of industrial democracy or participation by workers (through elected representatives) in managerial decisions with a full readiness to assume responsibility for the outcome (Tebb and Goldfarb, 1970: 148).

FIGURE 7.4: OBJECTIVES OF PARTICIPATIVE MANAGEMENT AS PERCEIVED BY WORKERS & MANAGEMENT PERSONNEL (DATA FROM TABLE 6.5.2)



HIGH SCORE- HIGH AGREEMENT ON IMPORTANCE

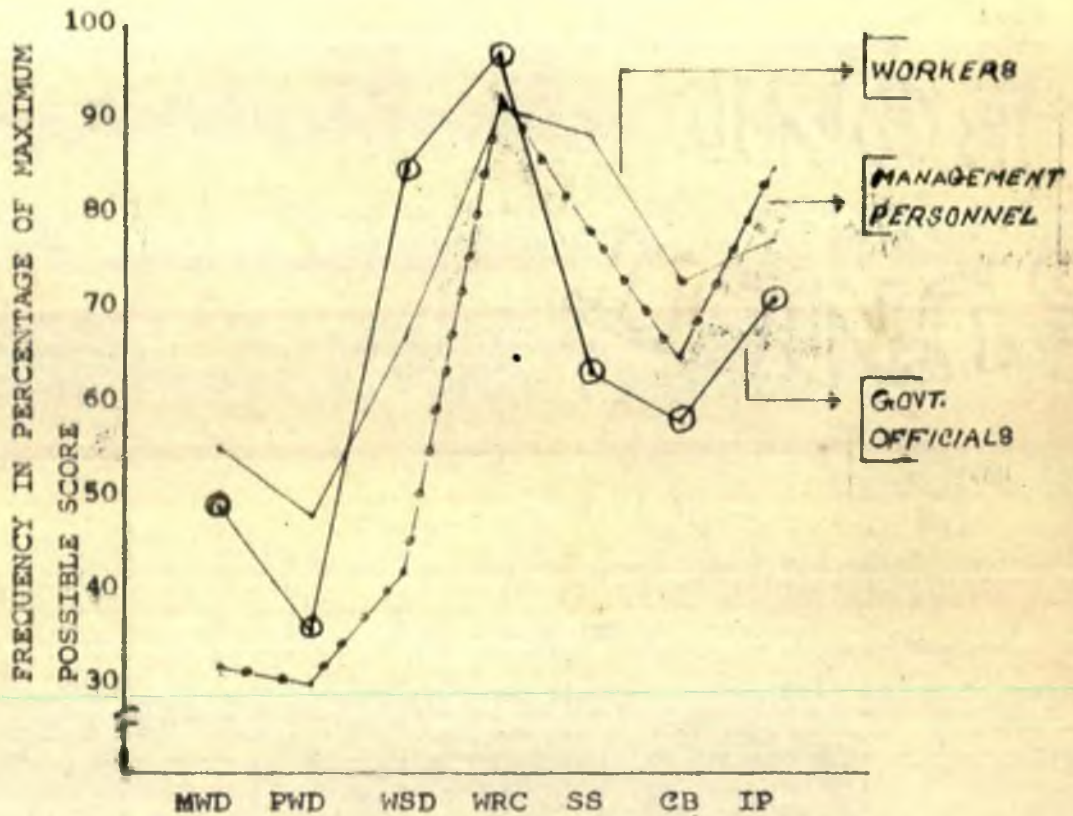
*COMBINATION OF PERCENTAGES IN 'VIA'.

to the board. Informal participation at the workplace was the third choice of the workers and the government officials but second choice of the management personnel. Figure 7.5 shows the nature of the actors' preference for the different forms of participative management.

7. On the average, half of the workers and a little less than half of the management personnel anticipated that participative management would be 'most effective' in increasing production, reducing cost of production, improving labour-management relations, improving the product, improving communications and reducing wastes, accidents and work stoppages. Only one-seventh of the government officials felt so. However, 52 per cent of the government officials and 47 per cent of the management personnel thought that participation would be 'fairly effective' in all the cases mentioned above. Figure 7.6 shows that government officials are residing in an area fairly distant from that of workers and management personnel with regard to their evaluation of the possible effect of participation on the enterprise as a whole. While workers were confident about the positive effect of participation, management personnel were found to show the same tendency except in the case of improving the product. Workers' favourable attitudes towards the effect of participation point to a belief on the part of the workers that they could contribute to the productivity and efficiency of the enterprise, that if they were involved in the economic life of the enterprise they could,

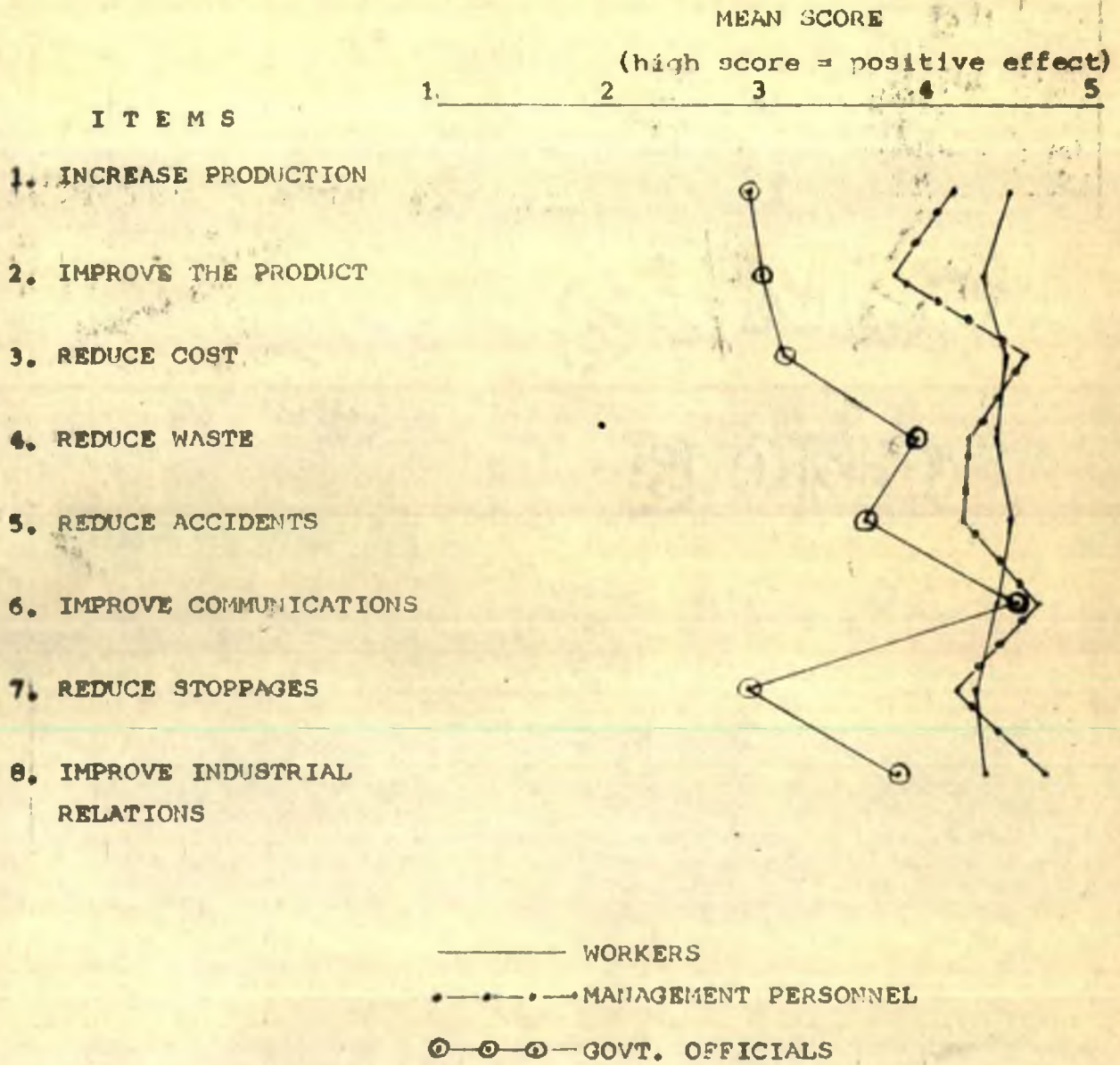
FIGURE 7.5: FREQUENCY POLYGON OF THE PREFERRED FORMS OF PARTICIPATION (DATA FROM TABLE 6.6.1)

(high score = high preference)



- MWD- MINORITY WORKER DIRECTOR
- PWD- PARITY WORKER DIRECTOR
- WSD- WORKER SHARE AND DIRECTOR
- WRC- WORKER REPRESENTATIVES IN COMMITTEES
- SS- SUGGESTION SCHEME
- CB- COLLECTIVE BARGAINING
- IP- INFORMAL PARTICIPATION

FIGURE 7.6: EFFECTS OF PARTICIPATION AS PERCEIVED BY THE ACTORS (DATA FROM TABLE 6.7.2)



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... help bring about better results than those obtained without their help.

8. Majority of the workers and the management personnel and all of the government officials felt that participative management can not be introduced off-hand without relevant statutory basis. Both the management personnel and the government officials did not consider voluntary participation to be most desirable although 14 per cent of the workers favoured the idea. Over four-fifths and nearly half of the management personnel and workers respectively viewed that if any participative management scheme was to be instituted through voluntary agreement between the partners of production, there should be the existence/^{of} organisation of employers and workers of approximately equal strength. Again, although workers, management and government officials were almost unanimous regarding the introduction of participative schemes with relevant statutory basis majority of the management personnel did not favour the inclusion of a clause on participation in the national constitution.
9. The government's decision regarding the establishment of "Participation Committee", according to the provisions of the Industrial Relations (Amendment) Act, 1980, was perceived to be politically motivated by three-fifth of the workers and a little more than one-third of the management personnel. While more than four-fifths of the management personnel strongly agreed that the government scheme was

a genuine desire to involve workers in decision-making process, none of the workers felt so. Both the parties unanimously viewed that the government's scheme of Participation Committee would not be effective unless accompanied by fair wages and decent working and living conditions. The workers were hopeful about the possible efficacy of the government's scheme to generate future union leaders from rank and file but the management personnel differed in their opinion on this point.

Workers and management personnel both in large majority perceived that the government's intention to introduce participative management in the enterprises was to do away with, through participation, the differences between workers and management and to solve the labour problems in the enterprise. Government also believed, as the parties viewed, that participation would lead to greater democracy.

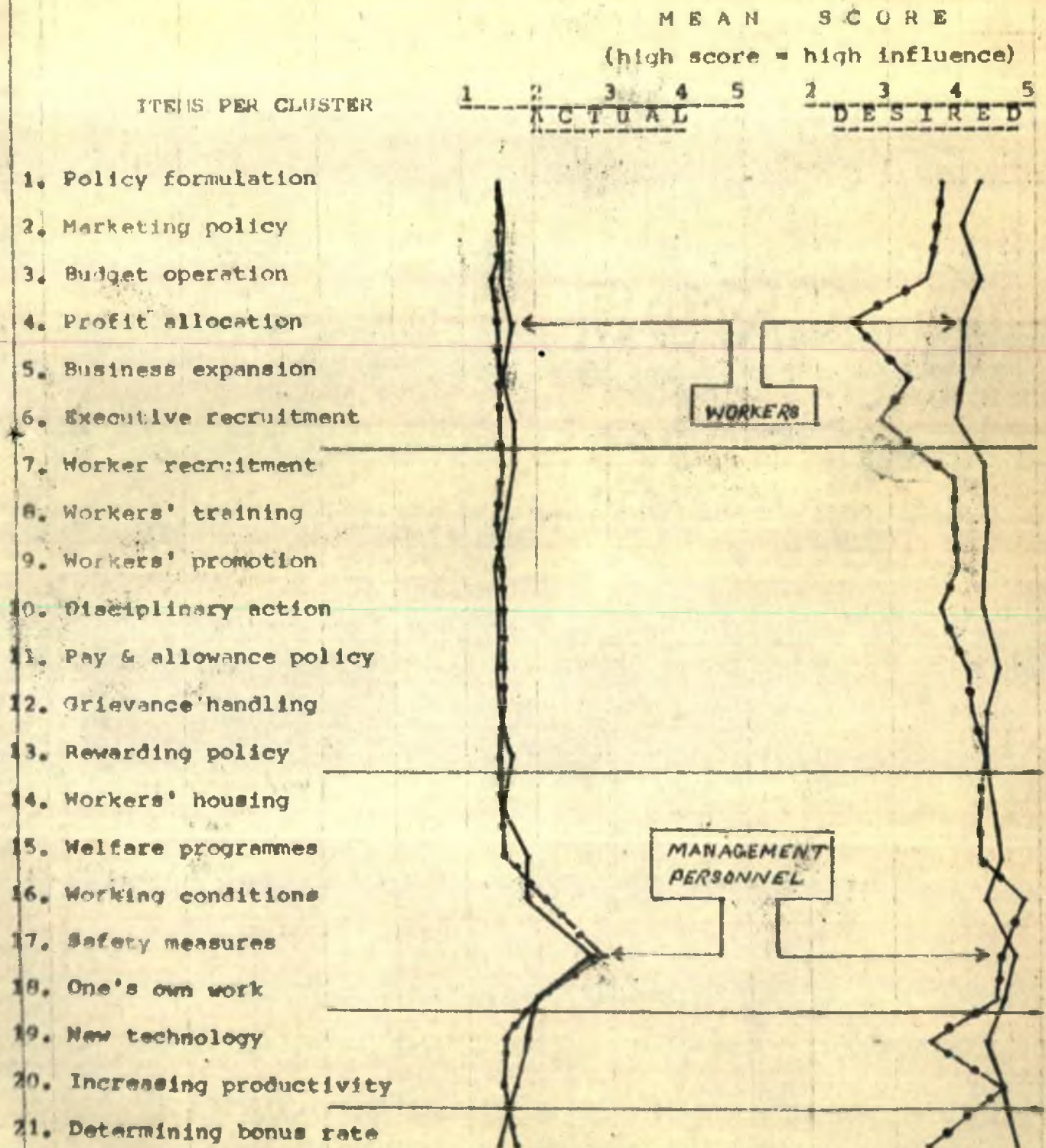
10. The management personnel, like the workers, perceived that the managers/supervisors of their company did not have the practice of giving the subordinates a share in decision-making, informing the subordinates of the true situation arising in the company, doing everything possible to make the company's morale high, communicating effectively with subordinates, showing thoughtfulness and consideration for others, making changes in ways of doing things, supporting the subordinates when they make mistakes not due to negligence and expressing appreciation when subordinates do a good job. They also thought that the managers and/or supervisors were also not easily approachable and

they did not bother to counsel, train and develop the subordinates. The findings indicate complete absence of participative leadership in the enterprise and brings to light a picture of a non-sensitive introverted and non-emotive executive leaders who stay out of close contact with their subordinates and are not attuned to the latter's needs.

The 10 items of participation characteristics, when rated on a five-point desired scale by the workers and the management personnel, received an average rating of 4.37 and 4.31 respectively, which is decidedly toward the high participation end of the scale. A complete picture of participative leadership, as perceived and desired, emerges from Figure 7.7. The patterns of desire for participative leadership by both the groups of respondents indicate a brighter future for participative management in the enterprise.

11. Majority of workers expressed a desire to exercise considerably larger influence in each of the decision areas specified in distant and medium level participation categories. Moreover, it is evident from Figure 7.8 that the desire was not fulfilled in practice since, across the decision areas both in distant and medium level, nine workers out of ten reported that they had no influence at all. Also, there clearly existed a strong desire for influence in each of the decision areas included in the local level participation issue, all-level cooperation issue and bonus issue. Most of the respondents expressed

FIGURE 7.8: WORKERS' INFLUENCE IN DECISION-MAKING, AS PERCEIVED AND DESIRED BY WORKERS & MANAGEMENT PERSONNEL (FROM TABLE A.6)



a preference for 'complete' or 'considerable' influence, with only a very small minority, three per cent, feeling that slight influence would be appropriate in local level decision issues. The degree of influence workers perceived themselves as exerting over local level decisions, all-level cooperation and bonus issues fell much below the level they liked.

A large majority of workers, no matter what the decision, felt they had no influence at all. The degree of consensus among the workers strikingly confirms the traditional picture of management practice. There was, in contrast, evidence for strong support for the notion of participation. This conforms clearly with the observation of Lischeron and Wall (1975) but contrasts sharply with the opinion of those authors (e.g., Walton, 1969; Emery and Thorsrud, 1969) who suggest that employees are not concerned to participate at these levels. Further, the fact that there are no great differences between the various decisions with respect to the degree of involvement desired suggests a fairly generalized attitude among workers.

Management personnel, however, did not think it worthwhile to give workers much influence over the distant and medium level decision areas, except in policies regarding allowances, grievance handling and rewarding workers. From ^{Table} A.7 in Appendix A it is, however, evident that management personnel were ready to allow workers more influence in local level and in issues which require cooperation

of both the parties at all levels. The degree of congruence between the two sets of Figures in Table A.7 augurs well for possibility of genuine participation at local level issues, particularly and in the issues requiring cooperation at all levels, i.e., increasing productivity and introducing new technology. Management personnel also tended to agree concerning the present extent of existing participation at all levels, as well as indicating that they felt employees should be more involved in decision, although they were more conservative in the second respect, especially, regarding the strategic decisions affecting the company as a whole.

12. In relation to the desired form of involvement of workers in managerial decisions at different levels in the organisation an interesting picture emerges. In all the decision areas specified, the majority of the workers preferred participation through joint decision-making system, with the exception of expansion and diversification of business and handling grievances of workers where they considered the former to be a management prerogative and the latter a matter to be negotiated over. On the other hand, the management personnel were divided in their attitudes towards the desired way of involving workers in decision-making. This group of the sample preferred joint decision-making system for local and bonus issues and consultation for the issues requiring cooperation of both workers and management at all levels but majority of them did not like to associate the workers in distant and medium

level issues which they considered to be their all-time prerogatives. The exception was the management personnel's willingness to recognise the collective bargaining rights of workers over handling the workers' grievances. The interesting fact is that collective bargaining through union representation was much less popular among both the workers and the management personnel.

13. Given that participation of workers in managerial decision-making is desired by both workers and management and the preferred form of participation suitable for different levels are identified, the next question arises, "what are the prerequisites that should be fulfilled for successful introduction and implementation of a participative scheme?" The findings of the present study indicate that workers and management personnel identified the following preconditions as highly essential for successful participation:-

- a) Decentralisation of the organisation structure as well as of the authority.
- b) Education of employees about the various aspects of participative management.
- c) Efficient channels of communication, the participants' common conception and an appropriate system of rewards.
- d) Freedom of organisation's leadership from the control of any political party.
- e) Attitudinal changes both in workers and management to adopt participative style of management.

- f) Complete sharing of information by the company with the employees.
- g) Having workers' participation through their representatives at plant level rather than external trade union representatives.
- h) Existence of strong and effective and honest trade unionism in the enterprise.
- i) Clearly defined area of collective bargaining and separate identity/^{of} collective bargaining and participative management.
- j) Management's recognition and acceptance of the concept of democratisation of work place.
- k) Clarity of objectives of participative management.
- l) Harmonious industrial relations climate.
- m) Participation at all levels and its extension to all decision-making processes.
- n) It must not threaten to undermine managers' formal authority.

The government officials corroborated the views of the other two parties only in respect of (d), (e), (f), (g), (m) and (n).

14. Workers' age was positively correlated with the perceived workers' influence in decision-making. This means that younger workers perceived less involvement in decision-making than the older ones. As the age grew, workers felt to have more influence in managerial decision-making. Interestingly enough, their age was not significantly correlated with desired influence of workers in decision-

making. That is, workers' age was independent of their desire for influence - irrespective of age everybody desired for greater influence. Age had no significant relationship with any other variables. Income, experience (i.e., length of service in the organisation concerned) and level of education were also found to be significantly correlated with perceived workers' influence in decision-making, implying that as the level of income, length of service and years of schooling increased the workers felt to be more involved in decision-making. Education of workers was statistically significantly inversely related to the perceived impact of nationalisation, perceived industrial relations and imagined effects of participation but positively to objectives of and preconditions for participation and desired participation characteristics. Skill was found to be unrelated to both perceived and desired influence of workers in decision-making. The relationships of age, income, experience, education and skill of workers with desired influence of workers in decision-making are so small that they can be regarded as more than a minor correlates of desired influence, and one of little practical importance. In other words, the attitudes of workers concerning the degree to which they should participate in managerial decision-making were independent of the individual difference variables considered.

With the advancement in age, management personnel were more lenient to involving workers in decision-making to a greater extent. Older 'managers' desired greater involvement of workers in managerial decisions than the younger ones. Similarly, the more the managers were educated and the more their income was, the greater was their desire to involve workers in decision-making. Perceived workers' influence in decision-making was independent of both age and education of management personnel but negatively related to their income and length of service in the organisation. Management personnel in higher income brackets anticipated more positive effects of participation. The more their experience was, the better they felt the existing organisational climate. All the individual difference variables considered were independent of management personnel's perceived leadership styles, industrial relations and the policy and intention of the government as well as desired impact of nationalisation, styles of leadership, objectives of participation, participation characteristics and preconditions for successful participation.

CHAPTER EIGHT

SUMMARY
AND
CONCLUSIONS

In contemporary society there is a great demand for improving the quality of working life as well as for making work organisations more participative. Social scientists, politicians, trade unionists, academicians and even leading industrialists recognise the importance of workers' participation in management in relation to both worker well-being and organisational effectiveness as well as an objective to be valued in itself.¹ Not many deny the desirability of making work organisations more democratic, and the few dissenting voices anchor their defense upon practical, not moral, questions (Hespe and Wall, 1976: 412).

The concept of participation is a complex one. Depending upon the socio-political system and other cultural conditions, the scope and contents of the term participation vary from country to country. However, a common component which is mostly present is the idea of associating employees in managerial decision-making. In the present study, participation refers to a process whereby the workers and management exert equal influence over decision-making within the undertaking and, based upon information sharing, attempt to reach agreement by working together rather than through utilization of coercive power. Worker participation may be either direct or indirect. Direct participation takes place when workers involve themselves in decisions relating to their immediate tasks. Participation becomes indirect when workers participate in managerial decisions through their representatives.

Although divergence of interests between employers and employees has been historically manifested in the area of personnel, participation may cover other areas like production,

marketing, finance, etc. However, the areas to be covered by participation is determined by the ownership structure of enterprise. The levels of participation - such as, policy level, administrative level and operative level - may also be influenced by the nature of ownership.

Various forms of participation have been experimented in different countries in order to meet their special needs. The important forms include joint consultation, codetermination and self-management. Besides these formal ones, informal approaches to participation include job enlargement, job enrichment, autonomous work groups, humanization of work, improvement of quality of working life, etc. Review of international experience in the field of worker participation reveals that all these countries which have tried one or the other form of participation are still keen to continue with their scheme and improve them. In some countries certain amount of governmental support through legislation or other forms are being extended in promoting workers' participation in management.

In the territory now constituting Bangladesh, a number of legislations, since the Industrial Disputes Act of 1947, were enacted providing for works committees/works councils for promoting measures to secure and preserve amity and good relations between the employers and the workers and to resolve material differences at the unit level. But such committees/councils had not proved successful in cases where they were formed chiefly due to the failure of the laws to provide the proper norm of social behaviour which were vital for the success of these committees. The spirit behind the laws were not

translated into reality to deliver the goods for which the committees were intended. During the Pakistan regime, private capitalist elites, mostly non-Bangalee, were reluctant to divest of the exercise of all powers of management. Thus, workers' participation in management could not grow in Bangladesh.

After independence of Bangladesh, the Planning Commission set up a "Study Circle" to prepare a report on 'Workers' Participation in the Management'. The report suggested the establishment of a Management Board in nationalised sector comprising five members - two from workers, one from financial institution and the other two from sector corporation. The proposal could not ultimately fully materialise. The 1972 Labour Policy also proposed the formation of a "Workers' Management Council" at each individual plant with equal number of representatives of management and workers to deal with the day to day problems. This also could not be acted upon as the labour wing of the ruling party decided to disassociate from deliberations. The Industrial Relations Ordinance, 1969, as amended in 1975 provided for constitution of a consultative committee for every enterprise with equal representation. According to the ILO-SIDA Mission (1973), the provision of works councils in our country has remained a 'dead letter'. Some of the reasons ascribed for the ineffectiveness of works councils are as follows: (a) vagueness of the area of jurisdiction, (b) managements' reluctance to share authority with workers on equal term, (c) lack of authority on the part of officers who represent the management in councils/committees, (d) suspicions of trade unions that works councils are being used as alternatives to unions, and (e) lack of proper education on the part of workers to undertake responsibility of joint consultation and decision-making procedures.

The Industrial Relations (Amendment) Act, 1980 further provides for the formation of "Participation Committee", in line with the provisions of the Labour Policy of 1980, with parity representation from workers and management.

Under the present situation in Bangladesh, the workers in private enterprises legally retain some of their collective bargaining rights in such fields as wages, bonus, leave etc. But collective bargaining in the public enterprises is recognised to a very limited extent. Legal basis for workers' participation in taking decisions on these matters does not naturally exist. Also, the legal framework as enunciated by the labour laws provides for a limited opportunity for the labour to participate in management.

The main findings of the present study are described here in a nutshell. Nationalisation of industries could neither ameliorate the conditions of labour nor could it create any purposeful background for workers' participation in management. Workers, management personnel and government officials unambiguously desired that nationalisation should create the background for participation.

The differences in attitudes of both the partners in production towards existing industrial relations indicate the existence of psychological conflicts between the two groups. Workers feel that, in addition to its endeavour for getting fair wages and better working conditions for the members, unions should have a role in the management of the industry. Management personnel, however, think it desirable for the unions to restrict themselves to collective bargaining and keep out of the management of industry.

There is no common conception of the term "workers' participation in management". While to the workers, participation means association of workers' representatives in managerial decisions as real members of management without discontinuing their work at their regular job; to the management, participation means joint consultation without the right of workers to decide. However, the objectives sought by the parties to achieve through participation relate mostly to resolving industrial disputes, improving productivity and job satisfaction, decreasing *absenteeism and wastes and developing* people to accept change and improving team work. The respondents perceived many common objectives of participativemanagement. The most preferred form of participation is having workers' representatives in various joint committees at different levels and the least preferred form is boardroom representation. The partners in production imagined that participation would be most effective in increasing production, reducing cost, accidents, work stoppages and wastes, improving labour-management relations and communications.

The actors in the industrial relations system feel that participation should be introduced with relevant statutory basis. Both workers and management personnel feel that if any voluntary scheme of participation is to be instituted, there should be the existence of both workers' and employers' organisations of approximately equal strength. Contrary to the views of other two parties, management personnel do not favour the inclusion of a clause on participation in the national constitution. Workers view that the government's decision to establish a "Participation Committee" in the enterprises is politically motivated,

while management personnel think it to be a genuine desire of the government to involve workers in decision-making process.

The perceived organisational climate does not seem to be congenial for participative management but the desired climate points to an optimistic future for participative styles of management.

With respect to workers' influence in decision-making the findings are interesting in the sense that both workers and management personnel perceive that the existing level of workers' influence is relatively very less but they express a strong desire for influence at all levels of organisational decision-making except that the desire of management personnel was weak in distant level. It is evident that: (a) whilst workers experience little participation they do express strong desires to be involved in decision-making; (b) workers have maximum desire to participate in local level and bonus issues; (c) workers desire for substantial influence in distant level issues; and (d) management personnel feel that workers should have more influence at all levels of decision-making. This desire for influence in decision-making is almost equally evident among individuals of different ages, level of education, length of service and skill.

The form of participation preferred by the workers is not likely to depend upon the nature of the decision involved. Except for diversification and expansion of business and grievance handling, workers prefer for joint decision-making in all the individual decision areas. Diversification and expansion of business is, they think, a management prerogative and handling of grievances should be left for collective bargaining.

Management personnel feel that items under distant level and medium level issues are of management prerogatives. In local management and bonus issue they would like to involve workers through joint decision-making and in cooperation issue through consultation.

The principal partners in production have identified the following preconditions for successful introduction and implementation of a participative scheme in Bangladesh context: decentralisation of authority, participative education for employees, efficient communication, freedom of leadership from control of political party, attitudinal change, complete information sharing, participation through plant level representatives, strong and honest unionism, clear jurisdiction of collective bargaining, management's acceptance of participation, clarity of objectives of participation, cordial industrial relations, all-levels participation, and maintaining managers' formal authority.

Conclusions and Implications

The following conclusions are drawn from the result of this study:

1. Workers have strong desire for participation in decision-making process of the organisation. On the other hand, management personnel have shown, although they practise bureaucratic leadership in a non-participative industrial relations climate, the willingness to accept the workers' involvement in the decision-making except in the strategic top-level decision areas. The level of agreement both within and among these two partners in production suggests an orientation towards participation. Thus, there is considerable scope for increasing workers' influence in different organisational decisions. That it is the difference between the perceived and desired influence which is the best predictor of job dissatisfaction, suggests that may be it is the thwarting of the individual's basic need to participate that is responsible for the widespread dissatisfaction that is so often a consequence of failing to involve workers in decision-making, at least at the local and medium levels.² Participation must, to be successful, occur at a level and in decisions, where individuals are willing, feel the need, and are able to participate, only from such a foundation can participation at higher levels be successful.³
2. Increasing production, resolving industrial disputes, improving job satisfaction, reducing wastes, accidents and work stoppages and improving team work have been mentioned to be the main objectives of participation by majority of

the respondents. So important objectives of the organisation could be attained and organisation effectiveness could also be increased through successful introduction and implementation of participative management. Sincere and honest approach by different groups in this regard is, of course, essential.

3. Since board level participation was the form least preferred by all the actors in the industrial relations system, such kind of participation may not be much purposeful in our country at the present stage of development. Joint committees at different levels may serve as the main forum of institutional participative body. But the success of such joint bodies will depend upon sincerity of management with regard to consultation and the degree of give and take. There must be a more than mere unilateral consultation.
4. Workers' preference for joint decision-making in most of the decision areas leads to the conclusion that workers want to have their say in managerial decisions through their representatives, not through direct involvement of themselves. This is probably because the workers are concerned much more with their living than with direct participation in the government of the enterprise. It is also implied that they do not like to be satisfied with mere information sharing, they want to go beyond that.
5. Informal approaches to participation like job enlargement, job enrichment, individual counselling, group decision-making etc. have to be given much importance in addition to the formal approaches. This is needed to help change

the management style of functioning. If the informal methods can help develop a culture for participative styles of management within an organisation, then people will develop faith in the system and formal representative participative forums can succeed inspite of different constraints.

6. Workers' participation in management should not be thought of as a substitute for collective bargaining. Participative forums should play a complimentary role to the process of bargaining. Participation and collective bargaining should not be merged together, rather the demarcation between the two must be clearly defined. Workers' participation has not genuine chance of success if it is continued in opposition to trade union movement.
7. Workers and management personnel are in favour of statutory participation. There is, thus, the scope for introducing participative schemes with legislative support. But caution should be taken to rule out coercive legislation. It is desirable to have enabling statutes or such kind of legislation as to promote the institutional preconditions for labour-management relations.⁴
8. Workers viewed the government scheme of participation provided in the Industrial Relations (Amendment) Act, 1980 as politically motivated. This is because they have experienced in the past that laws were there for some sort of participation in the enterprises but they were never enforced by the government. Thus it is not

unnatural for them to lose faith on any government scheme. Nevertheless, they believe that if properly designed and implemented, the government's scheme of participation may have certain beneficial effects on the enterprise. The success, therefore, depends on the sincerity and drivenness of the government to materialise the words of laws, thereby acquiring the faith of the workers.

The overall conclusion drawn from this study is that there is considerable scope for introduction and development of appropriate workers' participation programmes in the public sector industries, especially jute industries, if certain preconditions for participation are met.

FOOTNOTES

- ¹ See, for example Hespe and Wall (1976); C.S. Myers, Mind and Work, University of London Press, London, 1920; N.A.B. Wilson, On the Quality of Working Life, Department of Employment Manpower Paper No. 7, HMSO, 1973; Towers (1973); Ahmad (1977); Ahmad (1978a) and Branko (1975).
- ² Workers' participation in distant level decision areas, especially, is also not recommended for Asian Countries in the existing situation. Johannes Schregle of ILO comments: "The emphasis of workers' participation schemes in Asian countries will be less on decisions concerning investment, production, finance and economic management and more on those aspects of management decision-making which are of direct practical and day-to-day relevance to the workers" (Cf. J. Schregle, "Industrial democracy in Asia: Problems and prospects," in Wehmhoerner (1980), P. 29). In our country, trade union leaders are mostly politically motivated, while the workers are mainly interested in the improvement of their working and service conditions. Viewed from this angle, there exists an unbridgeable gap between the activities of trade union leadership and the aspirations of the workers. In such a situation, workers' participation in boards are more of a political stunt than a means to improve the conditions of the workers (see for reference, A. Khan, M.M. Khan, and D.A.F. Chowdhury, Feasibility Study for promoting industrial democracy in Bangladesh", in Wehmhoerner (1980).
- ³ Such was also the conclusion of a study among industrial workers, hospital nurses and Local Authority employee by Hespe and Wall (1976).

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4 Under the circumstances now prevailing in Bangladesh as a whole voluntary participation may not be possible. Because, for voluntary participation to be introduced there is the need for the existence of both employers' and workers' organisations with approximately equal strength, which is clearly absent in our country. The unions have become weak due to inter-union and intra-union rivalries. (At the national level also we find the non-existence of any labour organisation. Although there are about nineteen labour federations at the national level, they have not yet been able to unite into a national confederation. On the contrary, there is only one employers' associations at the national level, viz., The Bangladesh Employers' Association, which represent all the major industries in the country, including semi-autonomous bodies, sector corporations, etc. Some 90 per cent of the established employers in the private sector are affiliated with the Association).

Suggestions and Recommendations

The Government of Bangladesh is in favour of workers' participation in management which finds its expression in the post-independence labour policies.¹ Although according to Kenneth Walker, "There is sufficient knowledge and practical experience of the problems of putting participation into practice to provide a solid foundation for efforts to reach realistic objectives",² it appears difficult to implement the policies of the Government with regard to the introduction of participative management inspite of some kind of guidelines given by foreign experts after careful evaluation of the prevailing situation in the socio-politico-economic arena of the country.³ A background preparation is thus very essential to create an atmosphere where participative machinery could be introduced successfully. From the present study some important points emerge which may be considered by the policy-makers and others connected with the introduction of participative management in the, particularly, nationalised industries. Some suggestions are offered here keeping in mind the limitations of the study.

1. Role of Government:

Government in the developing countries like ours is the prime-mover behind most changes. In our society Government can play a conspicuous role in creating a receptive and persuasive climate for workers' participation in management. Government may enact suitable legislation for introducing participative scheme which should be started initially at the shop/department level, to be gradually extended to the plant level and then, on the basis of the experiences in these two levels, to the corporate level. Government should give only a flexible

broad outline and the exact scope and contents of the scheme should be finalised by the management and recognised trade union taking into consideration the organisation's internal variables and external environmental conditions affecting participation.

Government should set precepts through its own action by encouraging and, in fact, instituting, some kind of participative forums in some large established nationalised enterprises. However, there should be less interference from concerned ministries in day-to-day running of these organisations. Besides, the government should, with a view to involving more and more workers in direct participation at shopfloor level, encourage informal methods like job redesigning and improvement of quality of working life.

2. Role of Management:

In the context of our industrial relations environment, management can play a unique role in the introduction of participative management by taking up the responsibility of (a) training workers to take part in participation; (b) developing and publishing a company philosophy to participation; (c) developing constructive management and trade union relationship; (d) defining the relationship of participation to collective bargaining; (e) stimulating frank personal participation in semi-autonomous and self-managing groups; (f) dispelling the fear that participative practices would replace collective bargaining; (g) grooming the management personnel to become good participants themselves; and (h) investing organisational resources for promoting participative capabilities on the

worker. Management of a particular enterprise in consultation with the union (collective bargaining agent) may set up a committee to examine the various constraints hindering the introduction of participation. This will help them to design an appropriate participative scheme for their organisation.

3. Role of Trade Unions:

Trade unions in the industries in Bangladesh have become politicised long before the independence, thereby resulting in mushroom growth of unions and prevalence of external leadership. Multiplicity of trade unions leads to inter and intra-union rivalries adversely affecting the industrial relations. It is, therefore, needed to divorce politics from unionism and the unions should close down their ideological differences with sister organisations if a viable participative scheme is to be instituted. Besides, the apparent fear that participation may undermine union activities or participation may substitute collective bargaining should be shunned off the minds of trade unions. Unless the trade unions avoid the traditional approach of building countervailing power to any new initiatives from management, the future of participation will remain in the darkness.

4. Education and Training for Participation:

Workers' education is important to make the workers realise their responsibility to the enterprise and to gain a real sense of participation. Such education should be all pervasive. It is "not to the head alone, not to the heart alone, not to the hands alone, but it is dedicated to the three; to make the workers think, feel and act".⁴ Not only workers, managerial people

also should be briefed on the reasons for the introduction of participation and its likely impact. No participative institution would be capable of working efficiently unless the representatives have proper education and training to understand and guide the conduct of the enterprise. If the cooperation of the workers is sought for the success of the system, it is only fair to expect that he be educated to understand the mechanism of it. The national planners should, therefore, give a thought to this need. The workers' education scheme that has been undertaken by the Government of Bangladesh is not wide in scope and hence it fails to cater to the requirements of the industrial workers.⁵ The objectives of workers' education may be (i) acquisition of systematic knowledge, skills and experience in participation; (ii) development of objective attitude towards the democratisation of work place and work processes; and (iii) the recognition and handling of power relationships.⁶

The inhouse training programme of the company should be conducted by a joint forum of management and recognised trade union. This forum will decide on the contents of the programme taking into account the forms and levels of participation.

5. Starting Point:

In the present situation in Bangladesh the easiest way to develop the system of workers' participation is to start from the enterprise level and later to expand to other levels including government. This is because the workers can much better understand the problems at the enterprise than at other levels and their direct interest is biggest at the enterprise level. However, it is recommended that the introduction process

should be gradual. The introduction of workers' participation in management is a fundamental change, and according to the general rule the time required for implementation of any change is directly proportional to its importance.

The proposed stages for the implementation of workers' participation at the enterprise level are shown in Figure 3.1. The first phase should be the system design stage. It is recommended that a system should not be implemented at the same time in all nationalised enterprises. It is better to select some limited number of enterprises which are stable, of average size and successful. In these enterprises the system will be implemented for a given time (say, one year). After the experimental period it will be possible to evaluate the system and make corrections if necessary. In the following phase legal regulations could be prepared. After their acceptance by the government, the system could be gradually introduced in all nationalised enterprises.

Concluding Remarks

Development, not control, of human resources is the cry of the day, and participative management can play a significant role in this regard. This study has brought to the focus that if the actors in the industrial relations system sincerely cooperate and try, participative management can be successfully introduced in the public sector industries. The study has also highlighted several prerequisites for the success of any participative scheme in the socio-economic-political context of Bangladesh. The findings and suggestions of this study may be used by the parties concerned while developing objective policy for instituting participative scheme.

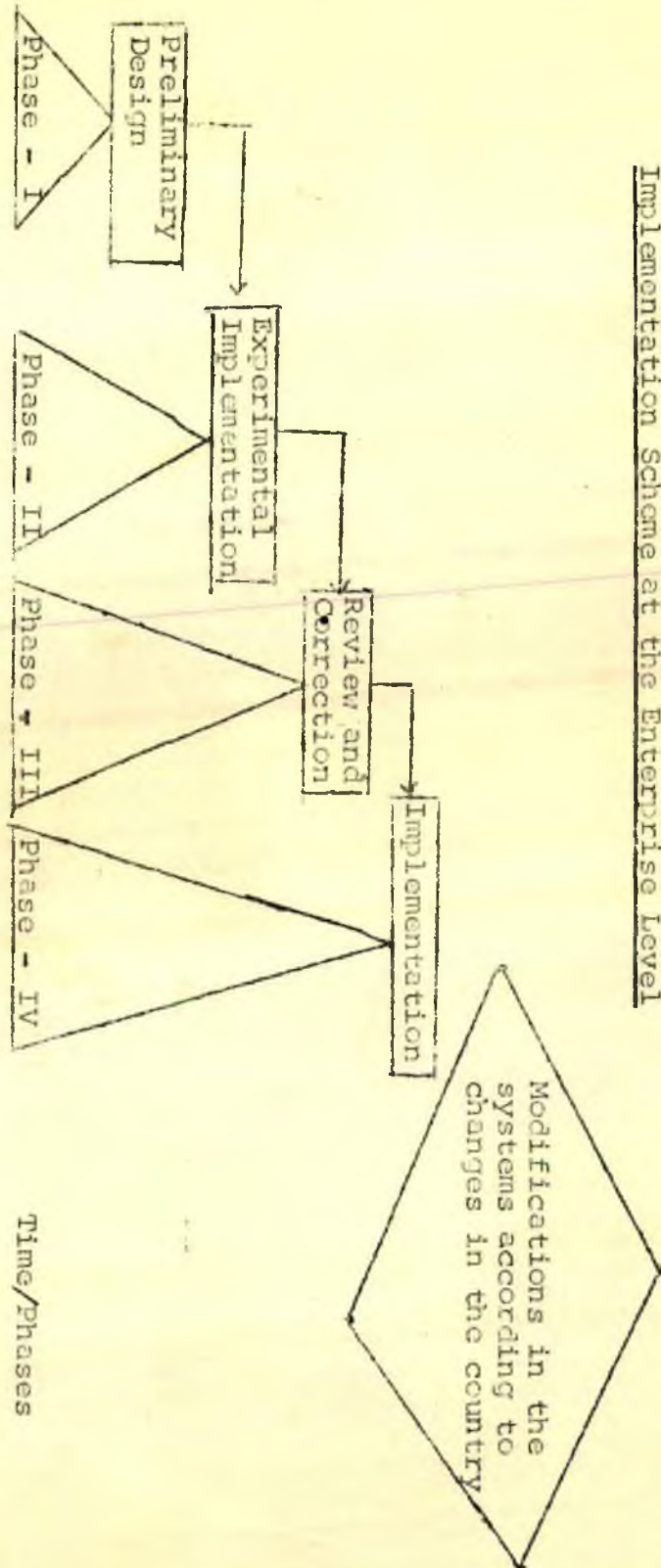


Figure: 1.1

Implementation Scheme at the Enterprise Level

FOOTNOTES

- ¹ For example, the First Labour Policy (1972) flashed out: "Country's economy in the past was based on capitalistic pattern and exploitation of people in general and workers in particular was its main aim, trade union activities were viewed with disfavour and no opportunity was given for the growth of free and democratic atmosphere. The workers in the country got no opportunity of participation in management".
- ² Summarisation of an international research project on industrial democracy organised by the International Institute for Labour Studies. Quoted by B.M. Kapur, "Training for employee participation - an O.D. approach", P.U. Management Review, 1 (2), 1978: 23.
- ³ Cf. (a) Report of the ILO/SIDA Mission on Workers' Participation in Management in Bangladesh, 1973; (b) Study of the Nationalised Industries of Bangladesh, 1972; and (c) C. Branko, Management in Nationalised Industries, Bangladesh; A Terminal Report Prepared for the Government of Bangladesh, UNIDO, 1975.
- ⁴ Max-Swerdlow, "Nature and goals of workers' education", in Workers' Education, reprint series No. 3, Labour Education Centre, University of Philippines, 1958, pp. 16-17.
- ⁵ In this respect we may derive some positive lessons from the Indian experience. A nation-wide workers' education system was introduced in India in 1958 which envisaged a three-tier training programme for teacher-administrators, workers-teachers and the factory-level workers.
- ⁶ H.C. Jain, "Information, training and participation", Industrial Relations Journal, 9 (1), 1978: 57.

A P P E N D I C E S

APPENDIX - A : STATISTICAL TABLES

APPENDIX - B : QUESTIONNAIRES USED IN THE STUDY

APPENDIX - C : BIBLIOGRAPHY

Table A.1: Background Information of Respondents

1. AGE	Average			Range		
	Workers	Mgt. Personnel	Govt. Official	Workers	Mgt. Personnel	Govt. Offil.
	35 yrs.	43 yrs.	46 yrs.	20-55 yrs.	35-55 yrs	38-56 yrs.

2. EDUCATION	Education of Self			Father's Education		
	W	M	G	W	M	G
(a) No education	12(11)	- -	- -	82(76)	9(15)	- -
(b) Read upto 5th Class	76(70)	- -	- -	14(13)	10(17)	- -
(c) Class VI to X	16(15)	- -	- -	10(9)	6(10)	2 (15)
(d) Matriculate	4(4)	27(45)	- -	2 (2)	23(38)	5 (39)
(e) Bachelor's degree	- -	14(23)	2(15)	- -	9(15)	3 (23)
(f) Post-Graduate Degree	- -	19(32)	11(85)	- -	3(5)	3 (23)
Total	108(100)	60(100)	13(100)	108(100)	60(100)	13 (100)

3. FATHER'S OCCUPATION	W	M	G
	(a) Labour (Agricultural of Industrial)	60 (56)	- -
(b) Cultivation	37 (34)	26 (43)	3 (23)
(c) Teaching	- -	12 (20)	- -
(d) Trade & business	8 (7)	10 (17)	2 (15)
(e) Private Service	2 (2)	2 (3)	- -
(f) Government service	1 (1)	10 (17)	8 (62)
Total	108 (100)	60(100)	13(100)

4. INCOME	Workers	Mgt. Personnel	Govt. Officials
	(a) 300-500Tk.	64-(59)	1000-1500Tk. 3 (5)
(b) 500-700	37 (34)	1500-2000 34 (57)	2000-2500 3 (23)
(c) 700 & more	7 (7)	2000-& more 23 (38)	2500-3000 5 (39)
Average:	Tk. 520108(100)	2027 60(100)	2337 13(100)

5. YEARS OF EXPERIENCE	Workers	Mgt. Personnel	Govt. Officials
	Average	15	16
Range	1-29	8-23	10-25

Notes: Parentheses indicate percentage.

Fractions have been rounded to the nearest figure.

W = Workers; M = Mgt. Personnel; G = Government Officials

Tk. = Taka

Table A.2: Perceived and Desired Impact of Nationalisation of Industries as Expressed by the Actors: (N=108, M=60, G=13).

AREA 1: NATIONALISATION	Actual			Desired			Mean Actual - Desired		t value
	Mean	SD	S.E. of Mean	Mean	SD	S.E. of Mean	Desired	Actual	
Nationalisation of Industries has: 1. Been a panacea for the exploitation of workers by employers or top managers.	W	1.83	0.87	0.08	4.58	0.58	0.06	2.75	27.30*
	M	1.80	0.75	0.10	4.07	0.25	0.03	2.27	22.07*
	G	2.31	1.06	0.29	4.46	0.99	0.28	2.15	5.74*
2. Resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprise.	W	3.75	1.20	0.11	2.48	1.21	0.12	1.27	7.73*
	M	2.90	1.14	0.15	3.67	0.47	0.06	0.77	4.79*
	G	2.92	1.21	0.33	1.33	0.49	0.13	1.54	4.10*
3. Resulted in bureaucracy which further prevents the workers to have their say.	W	3.88	1.18	0.11	1.99	0.98	0.09	1.89	12.78*
	M	3.37	0.66	0.08	1.90	0.30	0.04	1.47	15.59*
	G	3.54	1.32	0.37	2.31	0.91	0.25	0.34	2.66**
4. Created enormous power in the hands of a minority groups of union leaders over the managers.	W	1.74	0.86	0.08	4.06	0.76	0.07	2.32	20.87*
	M	2.87	0.99	0.13	1.20	0.60	0.08	1.67	11.05*
	G	2.69	1.26	0.35	3.00	0.77	0.21	0.31	0.72
5. Created the background for workers' participation in management.	W	1.83	0.99	0.09	4.51	0.69	0.07	2.68	23.03*
	M	2.37	1.05	0.14	4.10	0.75	0.10	1.73	10.35*
	G	3.15	1.10	0.30	4.46	0.50	0.14	1.31	3.75*
Average across all items									
	W	2.61	1.02	0.09	3.52	0.84	0.08	0.91	7.13*
	M	2.66	0.92	0.12	2.99	0.47	0.06	0.33	3.31*
	G	2.92	1.19	0.33	3.12	0.73	0.20	0.30	0.68

Notes: W - Worker; M - Management Personnel; G - Govt. Officials.

*p/.01 **p/.05

Table A.3: Perceived Industrial Relations as Expressed by Workers and Management Personnel
(Percentage of respondents endorsing each response category)

AREA II: INDUSTRIAL RELATIONS	Dhaka University Institutional Repository Workers (N=100)						Managerial Personnel (N=60)					
	SD	D	U	A	SA	Mean Score	SD	D	U	A	SA	Mean Score
1. Most employers/managers take a real interest in their employees' welfare.	46.30	46.30	0.00	6.48	0.93	1.69	3.33	40.00	0.00	56.67	0.00	3.10b
2. Management should consult the union more.	0.00	2.78	6.48	37.04	53.70	4.42	3.33	53.33	0.00	43.33	0.00	2.83b
3. Most employees cooperate with Management.	0.00	13.89	1.85	32.41	51.85	4.22	3.33	63.33	0.00	33.33	0.00	2.63b
4. A worker usually gets a fair return for the work he does.	50.93	41.67	0.00	7.41	0.00	1.64	0.00	0.00	0.00	63.33	36.67	4.37b
5. Most supervisors treat their workers fairly.	32.41	55.56	0.00	12.04	0.00	1.92	6.67	16.67	0.00	76.67	0.00	3.47b
6. A union could make satisfactory progress without striking.	33.33	50.93	0.00	15.74	0.00	1.98	13.33	33.33	0.00	53.33	0.00	2.93b
7. Managers and union leaders should see more of each other off the job.	0.93	9.26	10.19	38.89	40.74	4.09	0.00	3.33	0.00	30.00	66.67	4.60b
8. Anyone who has the ability and who is willing to work hard can get to the top in industry today.	53.56	35.19	0.00	8.33	0.93	1.64	36.67	56.67	0.00	6.67	0.00	1.77a
9. The difference between the lowest and the highest income groups in our country is too wide to be fair.	4.63	13.89	20.37	32.41	28.70	3.67	10.00	10.00	0.00	80.00	0.00	3.50a
10. A firm that makes large profit is usually more efficient than other firms.	0.00	0.00	23.15	41.67	35.19	4.12	10.00	40.00	0.00	50.00	0.00	2.90b
11. The average union leader has as much ability as the average manager.	0.93	9.26	4.63	38.89	46.30	4.20	46.67	16.67	0.00	36.67	0.00	2.27b
12. Most employees take pride in their work.	2.78	1.85	4.63	41.67	49.07	4.32	10.00	56.67	0.00	33.33	0.00	2.57b
13. Extra pay for the extra work is the best way to get more output from workers.	0.00	0.00	7.40	46.30	46.30	4.39	0.00	0.00	3.33	16.67	80.00	4.77b
14. Employers/managers should do more to encourage their employees to make suggestions about their work.	0.00	0.00	13.89	37.04	49.07	4.35	0.00	0.00	3.33	80.00	16.67	4.13b
15. Industrial relations would be more peaceful without the arbitration system.	37.04	50.93	0.00	12.04	0.00	1.87	0.00	0.00	0.00	40.00	60.00	4.60b
16. Unions should restrict themselves to getting fair wages and working conditions for their members and keep out of the management of industry.	39.81	40.74	0.00	19.44	0.00	1.99	0.00	0.00	0.00	43.33	56.67	4.57b
Average across all items.	16.55	21.30	6.54	27.55	28.07	3.29	8.54	18.96	0.62	45.83	26.04	3.62b

Notes: Scale: Strongly disagree = SD; Disagree = D; Undecided = U; Agree = A; Strongly agree = SA.

The difference of mean between the responses of workers and management personnel is significant (b) at 0.01 level and (a) not significant (two-tailed t-test).

Table A.4: Styles of Leadership Practiced and Desired by the Management Personnel (N=60)

AREA III: STYLES OF LEADERSHIP	Actual			Desired			t value*
	\bar{X}	SD	S.E. of \bar{X}	\bar{X}	SD	S.E. of \bar{X}	
In my departmental policy making in connection with my subordinate's work:							
1. I have to decide practically everything.	1.60	.66	.09	3.40	.61	.08	1.80 15.33
2. My subordinates decide with my help.	1.20	.40	.05	3.77	.50	.06	2.57 30.56
3. I strictly follow the systems and procedures laid down by the company.	3.33	1.14	.15	4.43	.50	.06	1.10 6.82
4. I leave it to my subordinate to decide.	1.17	.58	.08	2.63	1.17	.15	1.46 8.63
As regards the techniques and methods of my department:							
5. I have to lay down practically everything to each subordinate.	1.67	.79	.10	4.03	.41	.05	2.36 20.48
6. My subordinates determine the goals by group decisions, helped by technical advice from me.	1.60	.80	.10	3.97	.31	.04	2.37 21.15
7. I strictly follow the system and procedures of the company.	3.47	.99	.13	4.83	.45	.06	1.36 9.63
8. I take care in formulating only the basic plans and give advice when asked for.	1.83	.37	.05	3.47	.67	.09	1.64 16.36

Contd.....

Table A.4 (Contd.)

As regards job assignment to my subordinates:									
9.	I have to decide practically everything.	3.67	.75	.10	4.83	.37	.05	1.16	10.75
10.	I leave it to my subordinates primarily, who do this with my help.	1.77	.76	.10	3.57	.62	.08	1.80	14.13
11.	I strictly follow the system and procedure laid down by the company.	3.43	1.05	.14	4.87	.34	.04	1.44	9.94
12.	I leave it entirely to my subordinates.	1.17	.37	.05	2.50	.96	.12	1.33	9.97
As regards participation in subordinates' activity:									
13.	I do not participate.	2.07	1.06	.14	3.67	.79	.10	1.60	9.29
14.	I participate symbolically.	2.77	1.43	.18	3.73	.77	.10	0.96	4.57
15.	I strictly follow the systems and procedures laid down by the company. If it is laid down by the system & procedure, I participate, otherwise not.	3.03	1.05	.14	4.23	.96	.12	1.20	6.50
16.	I do not make any deliberate attempt to participate.	2.53	1.18	.15	3.20	.54	.07	0.67	3.96

Contd.....

Table A.4 (contd.)

As regards discipline:

17. The company's rules and procedures stand in the way of maintaining discipline in my department.	2.80	1.40	.18	3.70	.64	.08	.90	4.49
18. I think that it is necessary to hear both sides and collect all the relevant facts and check them before taking any disciplinary action.	2.63	.98	.13	4.27	.63	.08	1.64	10.75
19. I strictly follow the system and procedures laid down by the company.	3.20	.98	.13	4.90	.60	.08	1.60	10.70
20. I hardly take any disciplinary action against subordinates.	1.47	.50	.06	2.23	.80	.10	0.76	6.21

*All are significant at .01 level.

Table A.5: Perceived and Desired Views of Workers and Management Personnel Regarding Organisation ; Climate for Participation

AREA X: MEASURE OF PARTICIPATION CHARACTERISTICS	Actual			Desired			t*		
	\bar{x}	SD	S.E. of \bar{x}	SD	S.E. of \bar{x}	$\frac{\bar{x}_1 - \bar{x}_2}{\sqrt{s^2}}$			
1. Give the subordinates/workers a share in decision-making.	W	1.63	.92	.09	4.47	.74	.07	2.84	24.53
	M	1.60	.66	.09	4.03	.31	.04	2.43	25.46
2. Inform the subordinates/workers of the true situation, good or bad, under all circumstances.	W	1.72	.84	.08	4.31	.63	.06	2.59	25.50
	M	1.57	.67	.09	4.00	-.00	.00	2.43	28.00
3. Remain aware of the state of the company's morale and does every thing possible to make it high.	W	1.66	.78	.08	3.97	.83	.08	2.31	20.94
	M	1.50	.50	.06	4.00	.26	.03	2.50	34.12
4. Are easily approachable.	W	1.80	.78	.07	4.69	.46	.04	2.89	32.95
	M	1.70	.78	.10	4.77	.42	.05	3.07	26.52
5. Counsel, train & develop workers.	W	1.59	.64	.06	4.60	.49	.05	3.01	38.68
	M	1.37	.48	.06	4.37	.48	.06	3.00	33.81
6. Communicate effectively with the subordinates/workers.	W	1.78	.79	.08	4.52	.54	.05	2.74	29.82
	M	2.53	1.41	.18	4.43	.50	.06	1.90	9.78
7. Show thoughtfulness and consideration for others.	W	1.65	.79	.08	4.15	.86	.08	2.50	22.22
	M	2.60	1.36	.12	3.80	.70	.09	1.20	6.03
8. Make changes in ways of doing things.	W	1.62	.75	.07	4.28	.74	.07	2.66	25.96
	M	1.70	.78	.10	4.47	.62	.08	2.77	21.33
9. Support subordinates when they make mistakes not due to negligence or without any bad intention.	W	1.66	.91	.09	4.18	.76	.07	2.52	21.96
	M	2.80	1.17	.15	4.63	.48	.06	1.83	11.16

Contd.....

Table A.5 (Contd.)

10. Express appreciation when subordinates/workers do a good job.	W		M		W		M	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Average across all items	1.70	0.82	2.01	0.90	4.37	0.66	4.63	0.48
	2.67	0.06	2.30	0.05	26.29	0.43	17.66	0.55

Notes: W = Workers (N=108); M = Management Personnel (N=60).

*The differences between mean scores of actual and desired on all items are statistically significant at the level of .01, both for workers and management personnel.

Table A.6: Perceived and Desired Influence of Workers in Decision-making as Viewed by Workers (N=106) and Management Personnel (N=60)

AREA XI: WORKERS' INFLUENCE IN DECISION-MAKING PROCESS	Actual			Desired			$\bar{x}_1 - \bar{x}_2$	t
	\bar{x}	SD	S.E. of \bar{x}	\bar{x}	SD	S.E. of \bar{x}		
Workers have influence in:								
1. Formulation of overall organisational policy and their implementation.	W 1.52 M 1.50	.83 .50	.08 .06	4.30 3.77	.77 .80	.07 .10	2.78 2.27	25.28 18.40
2. Formulation of marketing policy.	W 1.48 M 1.50	.76 .50	.07 .06	4.05 3.67	.77 .65	.07 .08	2.57 2.17	21.40 20.30
3. Operation of sanctioned budget.	W 1.56 M 1.47	.86 .50	.08 .06	4.25 3.47	.77 1.18	.07 .15	2.69 2.00	24.06 12.03
4. Allocation of profits between investment, dividends and reserves.	W 1.76 M 1.43	1.11 .50	.11 .06	4.07 2.43	.91 1.33	.09 .17	2.31 1.00	16.66 5.40
5. Expansion and diversification of business.	W 1.51 M 1.50	.83 .50	.08 .06	4.00 3.33	.89 .79	.09 .10	2.49 1.83	21.10 15.08
6. Formulation of recruitment policy of executives/officers.	W 1.69 M 1.53	1.00 .67	.10 .09	3.99 2.93	1.13 1.00	.11 .13	2.30 1.40	15.86 8.95

Contd.....

Table A.6 (Contd.)

M E T R I C S	7.	Formulation of recruitment policy of workers.	W	1.70	.91	.09	4.29	.82	.08	2.59	21.91	
			M	1.57	.67	.09	3.97	.48	.06	2.40	22.39	
	8.	Development of training programs for the workers.	W	1.54	.73	.07	4.36	.55	.05	2.82	32.04	
			M	1.43	.50	.06	3.87	.67	.09	2.44	22.43	
	9.	Formulation of promotion policy for workers.	W	1.43	.83	.08	4.29	.67	.06	2.86	27.79	
			M	1.47	.50	.06	3.93	.44	.06	2.46	28.42	
	10.	Principle of taking disciplinary action.	W	1.59	.89	.09	4.32	.66	.06	2.73	25.39	
			M	1.47	.50	.06	3.63	.60	.08	2.16	21.23	
	11.	Formulation of policy of pay/benefits for workers.	W	1.58	.98	.09	4.54	.58	.06	2.96	26.73	
			M	1.57	.67	.09	4.03	.60	.08	2.46	21.04	
	12.	Practice for handling grievances of workers.	W	1.57	.80	.08	4.34	.56	.05	2.77	29.36	
			M	1.50	.50	.06	4.17	.64	.08	2.67	25.30	
	13.	Policy for rewarding workers for good work.	W	1.68	1.05	.10	4.35	.64	.06	2.67	22.44	
			M	1.43	.50	.06	4.23	.62	.08	2.80	27.22	
	L O C A L	14.	Arrangement for workers' housing.	W	1.50	.76	.07	4.39	.57	.06	2.89	31.26
				M	1.50	.50	.06	4.33	.54	.07	2.83	29.65
		15.	Determining welfare programs/facilities for workers.	W	1.90	1.02	.10	4.48	.59	.06	2.58	22.76
				M	1.57	.67	.09	4.30	.46	.06	2.73	25.93
16.		Way of maintaining good working conditions.	W	1.81	.99	.10	4.36	.66	.06	2.55	22.15	
			M	2.13	.67	.09	4.83	.37	.05	2.10	27.05	
L E V E L	17.	Provision for safety measures.	W	2.76	1.22	.12	4.63	.85	.08	1.87	13.01	
			M	2.93	1.00	.13	4.43	.50	.06	1.50	10.34	
I	18.	One's work (sequence, method, coordination and evaluation of work)	W	1.80	1.10	.11	4.56	.76	.07	2.76	21.29	
			M	1.93	.51	.07	4.50	.50	.06	2.57	27.55	

Contd.....

Table A.6 (Contd.)

C O O P E R R A T I O N	19. Introduction of new technology.	W	1.81	.99	.10	4.28	.69	.07	2.47	21.10
		M	1.53	.50	.06	3.53	.50	.06	2.00	21.77
	20. Increasing productivity.	W	1.67	.91	.09	4.50	.54	.05	2.83	27.69
		M	1.43	.67	.09	4.50	.56	.07	3.07	26.98
B O N U S	21. Way of determining rate of bonus	W	1.47	.60	.06	4.70	.46	.04	2.23	44.32
		M	1.63	.66	.08	3.57	.56	.07	1.94	17.21

Table 4.7: Desired Mean Responses to Decision-Making Attitude Items.

S.No.	Items	Workers (N=108)	Management Personnel (N=60)
1.	Formulation of overall organisational policy and their implementation.	4.30	3.77
2.	Formulation of marketing policy.	4.05	3.67
3.	Operation of sanctioned budget.	4.25	3.47
4.	Allocation of profits between investment, dividends and reserves.	4.07	2.43
5.	Expansion and diversification of business	4.00	3.33
6.	Formulation of recruitment policy of executives/officers.	3.99	2.93
7.	Formulation of recruitment policy of workers.	4.29	3.97
8.	Development of training programs for the workers.	4.36	3.87
9.	Formulation of promotion policy for workers.	4.29	3.93
10.	Principle of taking disciplinary action	4.32	3.63
11.	Formulation of policy of pay/allowances and other fringe benefits for workers.	4.54	4.03
12.	Practice for handling grievances of workers.	4.34	4.17
13.	Policy for rewarding workers for good work.	4.35	4.23
14.	Arrangement for workers' housing.	4.39	4.33
15.	Determining welfare programs/facilities for workers.	4.48	4.30
16.	Way of maintaining good working conditions.	4.36	4.83
17.	Provision for safety measures.	4.63	4.43
18.	One's work (sequence, method, coordination and evaluation of work).	4.56	4.50
19.	Introduction of new technology.	4.28	3.53
20.	Increasing productivity.	4.50	4.50
21.	Way of determining rate of bonuses.	3.57	4.70

Table A.8: Desired Preconditions for Successful Participative Management as Viewed by Workers, Management Personnel and Government Officials (percentage of respondents endorsing each response category).

AREA XII: PRECONDITIONS FOR SUCCESSFUL PARTICIPATION	Response Category						Item Score
	Respondents	NE	LE	NM	VE	HE	
1. Decentralisation of the organisation structure as well as of the authority.	W	0.00	5.56	5.56	42.59	45.30	4.30
	M	0.00	3.33	6.67	86.67	3.33	3.90
	G	0.00	46.15	15.38	38.46	0.00	2.92
2. Education of employees about the various aspects of .	W	0.00	4.63	3.70	41.67	50.00	4.37
	M	0.00	0.00	3.33	50.00	46.67	4.43
	G	0.00	30.77	15.38	61.54	0.00	3.54
3. Efficient channels of communication, the participants' common conception and an appropriate system of rewards.	W	0.00	6.48	8.33	42.59	42.59	4.21
	M	0.00	0.00	3.33	50.00	46.67	4.43
	G	0.00	23.08	0.00	76.92	0.00	3.54
4. Freedom of organisation's leadership from the control of any political party.	W	0.00	9.26	2.78	46.30	41.67	4.20
	M	0.00	3.33	0.00	43.67	53.00	4.40
	G	0.00	0.00	0.00	61.54	38.46	4.38
5. Attitudinal changes both in workers and management to adopt participative style of management.	W	0.00	0.00	9.26	42.59	48.15	4.39
	M	0.00	0.00	6.67	40.00	53.33	4.47
	G	0.00	0.00	0.00	76.92	23.08	4.23
6. Complete sharing of information by the company with the employees.	W	0.00	10.19	4.63	51.85	33.33	4.08
	M	0.00	3.33	0.00	36.67	60.00	4.53
	G	0.00	0.00	7.69	76.92	15.38	4.08
7. Necessity of having workers' participation through their representatives at plant level rather than external trade union representatives.	W	0.00	0.00	13.89	45.37	40.74	4.27
	M	0.00	3.33	3.33	43.33	50.00	4.40
	G	0.00	0.00	0.00	92.31	7.69	4.08

Contd.....

Table A.8 (Contd.)

8. Existence of strong and effective and honest trade unionism in the enterprise.	W	0.00	3.70	7.41	47.22	41.67	4.27
	M	0.00	3.33	0.00	10.00	86.67	4.80
	G	0.00	0.00	23.08	76.92	0.00	3.77
9. Presence of only one established trade union in each industry.	W	9.26	22.22	13.89	29.63	25.00	3.39
	M	0.00	46.67	33.33	6.67	13.33	2.87
	G	15.38	69.23	0.00	15.38	0.00	2.15
10. Clearly defined are of collective bargaining & non-bargaining of collective bargaining and PM.	W	0.00	6.48	10.19	44.44	38.89	4.16
	M	0.00	0.00	43.33	46.67	10.00	3.67
	G	0.00	0.00	15.38	76.92	7.69	3.92
11. Management's recognition and acceptance of the concept of democratisation of work place.	W	0.00	0.00	10.19	39.81	50.00	4.40
	M	0.00	3.33	3.33	6.67	86.67	4.77
	G	0.00	0.00	23.08	76.92	0.00	3.77
12. Clarity of the objectives of participative management	W	0.00	7.41	9.26	32.41	50.93	4.27
	M	0.00	0.00	0.00	56.67	43.33	4.43
	G	0.00	0.00	15.38	84.62	0.00	3.85
13. Harmonious industrial relations climate.	W	0.00	4.63	9.26	39.81	46.30	4.28
	M	0.00	0.00	0.00	6.67	93.33	4.93
	G	0.00	0.00	23.08	76.92	0.00	3.77
14. All-level participation and its extension to all decision-making processes	W	1.85	2.78	2.78	44.44	48.15	4.34
	M	0.00	0.00	3.33	56.67	40.00	4.37
	G	0.00	0.00	0.00	100.00	0.00	4.00
15. It must be voluntary and it must evolve, but not imposed from above.	W	18.52	12.04	4.63	37.04	27.78	3.44
	M	0.00	43.33	0.00	10.00	46.67	3.60
	G	38.46	53.85	0.00	7.69	0.00	1.77

Contd.....

Table 4.8 (Contd.)

16. It must not threaten to undermine managers' formal authority.

Average across all items		W	M	G	W	M	G	W	M	G	W	M	G
		0.00	0.00	0.00	5.56	0.00	0.00	12.04	0.00	0.00	41.67	16.67	92.31
		1.85	0.00	5.37	6.31	6.87	13.94	7.99	6.67	8.65	41.84	35.84	68.27
											41.95	50.63	6.25
											4.16	4.30	3.62

Scale: (1) NE = Not essential; LE = Less essential; MW = Midway; VE = Very essential and ME = Most

(2) W = Workers (N=108); M = Management Personnel (N=60); and G = Govt. Officials (N=13) essential

(3) Significance of the mean differences:

- i) Between W & M
 - a) For items 3, 4 and 12 - P/.05
 - b) For items 1,6,8,9,10,11,13 and 16 - P/.01
 - c) For items 2,5,7,14,15 and average P .05
- ii) Between W & G
 - a) For item 5 - P/.05
 - b) For items 1,2,3,7,8,9,10,11,12,13,14 and 15 - P/.01
 - c) For other items - P .05
- iii) Between M & G
 - a) For item 10 - P/.05
 - b) For item 4 - P .05
 - c) For other items - P/.01.

QUESTIONNAIRE
(Consolidated Questionnaire for Workers Management, Personnel
and Government Officials)

WORKERS' PARTICIPATION IN MANAGEMENT

Directions to Fill-up the Questionnaire

Following are a number of statements about different areas relating to industrial relations and participative management in industry. You will find that the statements are accompanied by five-point scales. You are asked to give your personal opinion about each statement, using the following keys (unless directed otherwise for a particular area):

* Key for "ACTUAL"

* SD = Strongly Disagree (1) *
* D = Disagree (2) *
* U = Undecided (3) *
* A = Agree (4) *
* SA = Strongly Agree (5) *

If you strongly agree with any statement, ring SA, if you strongly disagree ring SD and if you come somewhere in between ring D, U or A. Please make sure that you have ringed a symbol for every statement. If you want to change your mind

about any statement, just cross out your original answer clearly and do it again.

The second scale (DESIRED SCALE) runs from 'not important' to 'essential'. Here again you are asked to ring the appropriate symbol according to 'how important do you think each item to be' using the following key:

* Key for DESIRED Scale *
* NI = Not Important (1) *
* LI = Less Important (2) *
* QI = Quite Important (3) *
* VI = Very Important (4) *
* E = Essential (5) *

1. 'Not Important' means a condition of the work about which you feel indifferent.
2. 'Less Important' means a condition of the subject or work that you would rather desire than not.
3. 'Quite Important' means a condition of the subject/work that you consider to be desirable.
4. 'Very Important' means a condition of the subject/work which you feel highly desirable.
5. 'Essential' means a condition of the subject/work which you feel must be present in the organisation.

BIO-DATA OF RESPONDENTS

(Please Fill-up these items which are applicable to you)

1. Name _____ 2. Sex: Male/Female
 3. Age: _____ years 4. Marital Status: _____
 5. Place of Birth: Village/Town
 6. Occupation of Father

7. Department/Section you belong to

- | | | | |
|----------------------|-------|-------|---|
| Cultivation | | | |
| Industrial/ | | ***** | |
| Agricultural | | * | * |
| Labour | | * | * |
| Business | | * | * |
| Teaching | | * | * |
| Govt./Private | | * | * |
| Service | | * | * |
| Others(specify)..... | | ***** | |

8. Education of Your:
- | | <u>Ownself</u> | <u>Father</u> |
|--|----------------|---------------|
| a) No education at all | | |
| b) Upto Class V | | |
| c) Upto Class VIII | | |
| d) Non-Matric | | |
| e) Matriculate | | |
| f) Graduate(Com/Arts/Sc.) | | |
| g) Post-Graduate(Com/Arts/Sc.) | | |
| h) Any Technical Qualification (specify) | | |
| i) Any special training (specify) | | |

9. Your Official Status (Manager, Weekly/monthly paid worker etc.)

.....

10. Your total monthly income:

11. Nature of skill: Skilled/Unskilled

12. Years of Employment at this mill/organisation _____ years.

Area-I: NationalisationACTUALDESIRED

Nationalisation of Industries has:

- | | | |
|--|-------------|---------------|
| 1. Been a panacea for the exploitation of workers by employers or top managers. | SD D U A SA | NI LI QI VI E |
| 2. Resulted in the emergence of a powerful professional class of top managers who wield almost a similar power over the workers as the employers of private enterprises. | SD D U A SA | NI LI QI VI E |
| 3. Results in bureaucracy which further prevents the workers to have their say. | SD D U A SA | NI LI QI VI E |
| 4. Created enormous power in the hands of a minority groups of union leaders over the managers. | SD D U A SA | NI LI QI VI E |
| 5. Created the background for the workers' participation in management. | SD D U A SA | NI LI QI VI E |

Area-II Industrial Relations:(to be answered by workers and management personnel only)

- | | | |
|--|-------------|---------------|
| 1. Most employers/managers take a real interest in their employees' welfare. | SD D U A SA | NI LI QI VI E |
| 2. Management should consult the union more. | SD D U A SA | NI LI QI VI E |
| 3. Most employees cooperate with Management. | SD D U A SA | NI LI QI VI E |
| 4. A worker usually gets a fair return for the work he does. | SD D U A SA | NI LI QI VI E |
| 5. Most foremen/supervisors treat their workers fairly. | SD D U A SA | NI LI QI VI E |
| 6. A union could make satisfactory progress without striking. | SD D U A SA | NI LI QI VI E |
| 7. Managers and union leaders should see more of each other off the job | SD D U A SA | NI LI QI VI E |
| 8. Anyone who has the ability and who is willing to work hard can get to the top in industry today. | SD D U A SA | NI LI QI VI E |
| 9. The difference between the lowest and the highest income groups in our country is too wide to be fair | SD D U A SA | NI LI QI VI E |

- | | | |
|--|-------------|--|
| 10. A firm that makes large profit is usually more efficient than other firms. | SD D U A SA | |
| 11. The average union leader has as much ability as the average employer | SD D U A SA | |
| 12. Most employees take pride in their work. | SD D U A SA | |
| 13. Extra pay for the extra work is the best way to get more output from workers. | SD D U A SA | |
| 14. Employers/Managers should do more to encourage their employees to make suggestions about their work. | SD D U A SA | |
| 15. Industrial relations would be more peaceful without the arbitration system. | SD D U A SA | |
| 16. Unions should restrict themselves to getting fair wages and working conditions for their members and keep out of the management of industry. | SD D U A SA | |

Area - III: Styles of Leadership (to be answered by management personnel only)

- In my department ^{al} policy-making in connection with my subordinate's work:
- | | <u>ACTUAL</u> | <u>DESIRED</u> |
|--|---------------|----------------|
| 1. I have to decide practically everything. | SD D U A SA | NI LI QI VI E |
| 2. My subordinates decide with my help | SD D U A SA | NI LI QI VI E |
| 3. I stricly follow the system and procedures laid down by the company | SD D U A SA | NI LI QI VI E |
| 4. I leave it to my subordinate to decide. | SD D U A SA | NI LI QI VI E |
| As regards the techniques and methods of my department: | | |
| 5. I have to lay down practically everything to each subordinate. | SD D U A SA | NI LI QI VI E |
| 6. My subordinates determine the goals by group decisions, helped by technical advice from me. | SD D U A SA | NI LI QI VI E |

- | | ACTUAL | DESIRED |
|--|-------------|---------------|
| 7. I strictly follow the system and procedures of the company. | SD D U A SA | NI LI QI VI E |
| 8. I take care in formulating only the basic plans and give advice when asked for. | SD D U A SA | NI LI QI VI E |
| As regards job assignment to my subordinates: | | |
| 9. I have to decide practically everything. | SD D U A SA | NI LI QI VI E |
| 10. I leave it to my subordinates primarily, who do this with my help. | SD D U A SA | NI LI QI VI E |
| 11. I strictly follow the system and procedure laid down by company. | SD D U A SA | NI LI QI VI E |
| 12. I leave it entirely to my subordinates. | SD D U A SA | NI LI QI VI E |
| As regards participation in subordinates' activity: | | |
| 13. I do not participate. | SD D U A SA | NI LI QI VI E |
| ★ 14. I participate symbolically. | SD D U A SA | NI LI QI VI E |
| 15. I strictly follow the systems and procedures laid down by the company. If it is laid down by the system & procedure, I participate, otherwise not. | SD D U A SA | NI LI QI VI E |
| 16. I do not make any deliberate attempt to participate. | SD D U A SA | NI LI QI VI E |
| As regards discipline: | | |
| 17. The company's rules and procedures stand in the way of maintaining <i>discipline</i> . | SD D U A SA | NI LI QI VI E |
| 18. I think that it is necessary to hear both sides and collect all the relevant facts and check them before taking any disciplinary action. | SD D U A SA | NI LI QI VI E |
| 19. I strictly follow the system and procedures laid down by the Company. | SD D U A SA | NI LI QI VI E |
| 20. I hardly take any disciplinary action against subordinates. | SD D U A SA | NI LI QI VI E |

Area-IV: Meaning of Participation	Strongly Dis- Agree	Dis- Agree	Un- decided	Agree	Strongly Agree
	(1)	(2)	(3)	(4)	(5)

By the concept of "Participation" I understand that:

1. The workers share in profits only.	1	2	3	4	5
2. The workers share in profits and losses.	1	2	3	4	5
3. The workers' representatives are invited by the management to participate in discussion regarding managerial decisions.	1	2	3	4	5
4. The workers' representatives associate at all levels in the various functions of management.	1	2	3	4	5
5. The workers' participate in the ownership of the industry.	1	2	3	4	5
6. The workers' representatives sit as real members of management but continue to work at their regular work.	1	2	3	4	5

Area-V: Objectives of Participation

The objective of participative management is to:

1. Increase security and wages of workers.	1	2	3	4	5
2. Increase production which may not necessarily result in higher wages & greater security for the workers .	1	2	3	4	5
3. Resolving industrial disputes and increasing production simultaneously.	1	2	3	4	5
4. Resolving industrial conflicts amicably without disrupting <i>industrial peace.</i>	1	2	3	4	5
5. Increase productivity, improve job satisfaction, decrease absenteeism and reduce waste.	1	2	3	4	5
6. Revolt against bureaucratic authority over an enterprise.	1	2	3	4	5

	(1)	(2)	(3)	(4)	(5)
7. Extending power and influence of trade unions.	1	2	3	4	5
8. Provide means for close involvement of the workers with the enterprise and the decisions which directly affect them.	1	2	3	4	5
9. Prevent workers' exploitation either by owners or top managers.	1	2	3	4	5
10. Improve quality of managerial decisions.	1	2	3	4	5
11. Develop people to accept change	1	2	3	4	5
12. Improve team-work.	1	2	3	4	5
13. Sharing financial and other information about the enterprise.	1	2	3	4	5

Area-VI: Forms of Participative Management

Please rank in order of your preference considering the feasibility of its implementation and desired success.

Sl. No.	Alternative Forms	Rank
1.	Having one or two workers nominated to the Board of Directors.	
2.	Having parity in the Board of Directors.	
3.	Workers having share in the ownership and getting elected to the Board.	
4.	Having workers' representatives in various joint committees at different levels.	
5.	Having a worker-suggestion scheme in the enterprise.	
6.	Extending collective bargaining machinery to cover the decision-making process.	
7.	Informal face-to-face participation in decision-making at the work place.	

Area-VII: Effect of Participation

	Not Eff- ect- ive (1)	Less Eff- ect- ive (2)	Unde- cid- ed (3)	Fairly Effec- tive (4)	Most Effec- tive (5)
Participative Management would be effective in:					
1. Increasing production	1	2	3	4	5
2. Improving the product	1	2	3	4	5
3. Reducing cost of production	1	2	3	4	5
4. Eliminating waste	1	2	3	4	5
5. Reducing accidents	1	2	3	4	5
6. Improving communications	1	2	3	4	5
7. Reducing work stoppages	1	2	3	4	5
8. Improving labour management relations	1	2	3	4	5

Area-VIII: Legal Basis for Participative Management

	Not Desi- rable (1)	Less Des- ira- ble (2)	Undeci- ded (3)	Fairly Desir- able (4)	Most Des- irab- le (5)
In the context of our socio-economic political background:					
1. Participative management should be introduced with relevant statutory basis.	1	2	3	4	5
2. Participation should be introduced by way of voluntary agreement between labour & management.	1	2	3	4	5
3. The possibility of leaving the introduction of participative schemes to the initiative pre-supposes the existence of organisation of employers and workers of approximately equal strength.	1	2	3	4	5
4. In order to have a strong legal basis to introduce workers' participation in management, an amendment to this effect should be made in our national constitution.	1	2	3	4	5

Area-IX: Government Policy and Participative Management
(to be answered by workers & management personnel only)

	Strong- ly Dis- agree (1)	Disagree (2)	Unde- cided (3)	Agree (4)	Strongly Agree (5)
The Government's decision regarding the establishment of Participation Committee (Industrial Relations Amendment Act, 1980) is:					
1. Politically motivated	1	2	3	4	5
2. A genuine desire to involve workers in decision-making process.	1	2	3	4	5
3. Will result in more production and better efficiency.	1	2	3	4	5
4. Will not undermine the trade union activities.	1	2	3	4	5
*5. Will not be effective unless accompanied by fair wages, decent working and living conditions.	1	2	3	4	5
6. Will be able to generate future union leaders from rank and file.	1	2	3	4	5
In my opinion, our Government wants participative management because:					
7. The enterprises belong to the workers and every worker in the enterprise ought to have a voice.	1	2	3	4	5
8. It believes that participation will do away with the difference between workers & management.	1	2	3	4	5
9. It wants to strengthen its base among the millions of worker-voters in the country.	1	2	3	4	5
10. It wants to solve the labour problems in the enterprise.	1	2	3	4	5
11. It believes that participation will lead to greater democracy.	1	2	3	4	5
*12. It believes that the workers will work harder.	1	2	3	4	5

Area-X: Measure of Participation Characteristics
 (Not to be answered by Government Officials)

	<u>ACTUAL</u>	<u>DESIRED</u>
In our company managers/ supervisors:		
1. Give the subordinates/workers a share in decision-making.	SD D U A SA	NI LI QI VI E
2. Inform the subordinates/workers of the true situation, good or bad, under all circumstances.	SD D U A SA	NI LI QI VI E
3. Remain aware of the state of the company's morale and does everything possible to make it high.	SD D U A SA	NI LI QI VI E
4. Are easily approachable.	SD D U A SA	NI LI QI VI E
5. Counsel, train & develop workers	SD D U A SA	NI LI QI VI E
6. Communicate effectively with the subordinates/workers.	SD D U A SA	NI LI QI VI E
7. Show thoughtfulness and consideration for others.	SD D U A SA	NI LI QI VI E
8. Make changes in ways of doing things.	SD D U A SA	NI LI QI VI E
9. Support subordinates when they make mistakes not due to negligence or without any bad intention.	SD D U A SA	NI LI QI VI E
10. Express appreciation when subordinates/workers do a good job.	SD D U A SA	NI LI QI VI E

Area-XI: Workers' Influence in Decision-Making Process
(Not to be answered by Government Officials)

- | | |
|---------------------------------|----------------------------|
| <u>ACTUAL</u> | <u>DESIRED</u> |
| 1. = No influence | 1 = Not at all |
| 2 = Very little influence | 2 = Slight influence |
| 3 = Influence to some extent | 3 = Moderate influence |
| 4 = Quite a lot of influence | 4 = Considerable influence |
| 5 = Influence to a great extent | 5 = Complete influence |

Workers have influence in:

	<u>ACTUAL</u>	<u>DESIRED</u>
1. Formulation of overall organisational policy & their implementation.	1 2 3 4 5	1 2 3 4 5
2. Formulation of marketing policy.	1 2 3 4 5	1 2 3 4 5
3. Operation of sanctioned budget..	1 2 3 4 5	1 2 3 4 5
4. Allocation of profits between investment, dividends and reserves.	1 2 3 4 5	1 2 3 4 5
5. Expansion and diversification of business.	1 2 3 4 5	1 2 3 4 5
6. Formulation of requirement policy of executives/officers.	1 2 3 4 5	1 2 3 4 5
7. Formulation of recruitment policy of workers.	1 2 3 4 5	1 2 3 4 5
8. Development of training programmes for the workers	1 2 3 4 5	1 2 3 4 5
9. Formulation of promotion policy for workers.	1 2 3 4 5	1 2 3 4 5
10. Principle of taking disciplinary action.	1 2 3 4 5	1 2 3 4 5
11. Formulation of policy of pay/allowances and other fringe benefits for workers.	1 2 3 4 5	1 2 3 4 5
12. Practice for handling grievances of workers.	1 2 3 4 5	1 2 3 4 5
13. Policy for rewarding workers for good work.	1 2 3 4 5	1 2 3 4 5
14. Arrangement for workers'housing.	1 2 3 4 5	1 2 3 4 5
15. Determining welfare programs/facilities for workers.	1 2 3 4 5	1 2 3 4 5
16. Way of maintaining good working conditions.	1 2 3 4 5	1 2 3 4 5

	ACTUAL					DESIRED				
	1	2	3	4	5	1	2	3	4	5
17. Provision for safety measures.										
18. One's work(sequence, method, coordination and evaluation of work).										
19. Introduction of new technology.										
20. Increasing productivity.										
21. Way of determining rate of bonus.										

Area-XI A: Mode of Participation/Involvement

Please indicate the degree of participation you feel workers should have over the following issues by encircling the appropriate alphabet, for each issue using the following key:

- A = This is management prerogative
 B = Joint decision-making
 C = Collective bargaining.
 D = Consultation/Advising
 E = Information sharing.

	A	B	C	D	E
1. Formulation of overall organisational policy and their implementation.	1	2	3	4	5
2. Formulation of marketing policy.	1	2	3	4	5
3. Operation of sanctioned budget.	1	2	3	4	5
4. Allocation of profits between investment, dividends & reserves.	1	2	3	4	5
5. Expansion and diversification of business.	1	2	3	4	5
6. Formulation of recruitment policy of executives/officers.	1	2	3	4	5
7. Formulation of recruitment policy of workers.	1	2	3	4	5
8. Development of training programs for the workers.	1	2	3	4	5
9. Formulation of promotion policy for workers.	1	2	3	4	5
10. Principle of taking disciplinary action.	1	2	3	4	5
11. Formulation of policy of pay/allowances and other fringe benefits for workers.	1	2	3	4	5

	A	B	C	D	E
12. Practice for handling grievances of workers.	1	2	3	4	5
13. Policy for rewarding workers for good work.	1	2	3	4	5
14. Arrangement for workers' housing.	1	2	3	4	5
15. Determining welfare programs/facilities for workers.	1	2	3	4	5
16. Way of maintaining good working conditions.	1	2	3	4	5
17. Provision for safety measures.	1	2	3	4	5
18. One's work (sequence, method, coordination and evaluation of work.	1	2	3	4	5
19. Introduction of new technology.	1	2	3	4	5
20. Increasing productivity.	1	2	3	4	5
21. Way of determining rate of bonus.	1	2	3	4	5

Area-XII: Pre-Conditions for Success

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The following statements describe the prerequisites that may be considered essential for the success of any participative management scheme:

	Not Essen- tial (1)	Less Essen- tial (2)	Mid- way (3)	Very Essen- tial (4)	Most Essen- tial (5)
1. Decentralisation of the organisation structure as well as of the authority.	1	2	3	4	5
2. Education of employees about the various aspects of participation management.	1	2	3	4	5
3. Efficient channels of communication, the participants' common conception and an appropriate system of rewards.	1	2	3	4	5
4. Freedom of organisation's leadership from the control of any political party.	1	2	3	4	5
5. Attitudinal changes both in workers and management to adopt participative style of management.	1	2	3	4	5
6. Complete sharing of information by the company with the employees.	1	2	3	4	5
7. Necessity of having workers' Participation through their representative at plant level rather than external trade union representatives.	1	2	3	4	5
8. Existence of strong & effective trade unionism in the enterprise.	1	2	3	4	5
9. Presence of only one established trade union in each industry.	1	2	3	4	5
10. Clearly defined area of collective bargaining & non-merging of collective bargaining & participative management.	1	2	3	4	5
11. Management's recognition and acceptance of the concept of democratisation of work place.	1	2	3	4	5
12. Clarity of the objectives of participative management.	1	2	3	4	5
13. Harmonious industrial relations climate.	1	2	3	4	5
14. All-level participation and its extension to all decision-making processes.	1	2	3	4	5
15. It must be voluntary and it must evolve, but not imposed from above.	1	2	3	4	5
16. It must not threaten to undermine managers' formal authority.	1	2	3	4	5

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