

WORKERS' PARTICIPATION IN MANAGEMENT – A MANUFACTURING INDUSTRY PERSPECTIVE

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Abstract

Allowing workers to take part in management decision making has been always a controversial topic. Management's prerogatives are the major issue for this controversial. The pressures are experienced by the business leaders due to increasing participation from workers that are once exclusively reserved for management. It is general perception that the management is afraid at legal and quasi legal schemes of participation will increase employees' and trade-unions' influence and can erode managerial control. At the same time if the workers are not allowed to participate in the management decision making process, their performance will come down and eventually which can lead to reduction in management effectiveness or organizational effectiveness. Therefore to ascertain what extent these fears are justified and how the enterprise operating in a democratic framework, age, experience of workers and satisfaction with existing management practices are taken into account for the analysis. From the analysis it is found that there is relationship between Age, Workers Participation and effectiveness of organization, there is no relationship between Year of Experience and Satisfaction with the existing management practice.

Introduction

The concept of workers' participation in management crystallizes the concept of Industrial Democracy. It is also felt that by giving workers a voice in their companies, employers are blurring class distinctions and are trying to divert unions from their fundamental task of destroying capitalism. Industrial Democracy would mean "by the workers, for the workers and of the workers". The concept of workers' participation in management is considered as a mechanism where workers have a say in the decision making process of an enterprise. It is a step towards achieving social justice. It gives the workers as much power as the management. The essence of participation is power-sharing between workers and management.

Workers' participation in Industry is industrial democracy in action based on the principles of equity, equality and voluntarism. It gives to the employees' representatives the right to criticize and to offer constructive suggestions and to become aware of various delicate issues involved in decision making.

Review of Literature

James, Debra and Laurie (2006) reported that while participation in workplace decision making may have positive effects on employees' attitudes toward their work, it may have less impact on employee performance. In addition, the cost of implementing participatory management systems may far exceed the actual return. However, the commentators provide numerous professional examples to suggest that participation in workplace decision making in government setting not only improves employees' attitudes toward work, but also increases their performance. Changes in the nature of organization and task environments, employees' desires to participate in workplace decision making, as well as rapid advances in technology facilitating such exchanges, may make participation an even more important determinant of performance in the future.

Mariam Jamila, Bakhtear Uddin and Salma Ahmed (2006) reported that both the unskilled and semi-skilled women workers have an opportunity to be employed in the garments industry in Bangladesh. This paper found that women in the garments sectors of Bangladesh are not discriminated because they are women. Albeit there may be individual incidence of gender-based wage discrimination in the garments sector, most of the worker's wage is determined by their skill, hours work, experience and age.

Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction and cooperation with management may also improve. The results often are reduced conflict and stress, more commitment to goals, and better acceptance of change. Turnover and absence may be reduced because employees feel that they have a better place to work and that they are being more successful in their jobs. The act of participation in itself establishes better communication as people mutually discuss work problems. Management tends to provide workers with increased information about the organization's finances and operations, and this sharing of information allows employees to make better-quality suggestions (Newstrom & Davis, 2004).

Bashir et. el. (2003) identified that the job design, structure and its relation to the motivation and performance of the employees in insurance industry sector of Bangladesh. A redesigned interview schedule study was conducted on 40 executives of various levels of two insurance companies in the private and public sectors. The finding of the study reveals that executives of the insurance sector in Bangladesh are motivated in their job in terms of task variety, clearly defined authority and responsibility, accountability, information processing, internal co-ordination and job security.

Sen and Khan (2003) showed a brief analysis on participative management vis-à-vis quality control circles in the context of some banks of Bangladesh. This study has laid emphasis

on (a) the philosophy underlying participative management, (b) quality control circles, their essentials and importance, (c) quality audit and (d) adverse impact when quality circles fail. This paper may give some ideas about how quality circles and participative management can go together to attain the organizational objectives.

Emran M.A (2001) revealed that the extent of workers' participation in the public sector industries is yet limited. The study puts forward steps necessary for an increase worker participation in management of the public sector industries, particularly in the Khulna Newsprint Mills Ltd.

In the practice of decision making (Kneeland, 1999) and meeting management (Doyle & Straus, 1976) there is agreement that everyone engaged in a decision process or meeting should understand his or her role. The ladder of decision making helps to define that role. The ladder provides a way to articulate who makes the decision and offers employees more certainty about how their input, which consumes their time and resources, will be used. From these benefits, the ladder offers even greater benefit of improving the quality of decisions by incorporating employee values, information and alternatives to the decision. It also increases the potential for decisions to be implemented as employees help make and "own" the decisions. And the ladder offers the possibility of reducing employee skepticism about executive decisions and executive efforts to engage in employees' number one issue, time and resources.

Connor P.E. (1992) identified that emphasized by being personally and meaningfully involved, above and beyond just doing assigned tasks, employees are said to be more motivated and productive.

Hossain M N (1992) revealed that job security is a de-motivating factor. But the study of Bashir et al (2003) reported that job security proves as a significant factor for both government and non-government enterprise.

Roethlisberger, Coch and French and others conducted research on this topic. Their collective results suggested the general proposition that participation tends to improve performance and job satisfaction (Coch, 1948). Later research in organizations has repeatedly supported this proposition, as suggested by the authors of a comprehensive review "participation can have statistically significant effects on performance and satisfaction (Wagner, 1994). Participative practices may also provide power opportunities earlier to monitory workers in an increasingly diverse workforce, since such workers need not wait until reaching higher organizational levels before being allowed to contribute meaningfully. Participation also seems to help satisfy the awakening employee need for meaning and fulfillment at work. The use of participative practices is noteworthy. The educational level of the workforce often provides workers with unique capacities that can be applied creatively to work problems. These

employees also acquire a greater desire for influencing work related decisions and an expectation that they will be allowed to participate in these decisions (Newstrom & Davis, 2004).

Objectives of the Study

1. To find out the relationship between age and workers participation in management.
2. To assess the association between educational qualification and Workers Participation in Management.
3. To ascertain the correlation between experience and Participation in Management.

Hypotheses

Based on the objectives the following Null Hypothesis have been formulated and tested.

1. There is no significance relationship between Age and Workers Participation in management
2. There is no significance relationship between Educational Qualification and Existing Management Practice.
3. There is no significance relationship between Year of Experience and workers participation in Management.

Methodology

The aim of the present investigation is to study about how far the workers participation in management helps to formulating policies and strategies in manufacturing industries in Vellore district. For this following methodologies are followed.

Data Collection

A structured questionnaire was prepared to collect the primary data. The questionnaire is carefully constructed and properly setup. To assess the Validity and reality a Pilot study was conducted on a sample size of 10 respondents, right at the beginning of the survey. Accordingly researcher made a number of alterations in the questionnaire, to aid proper survey.

Sample Size

For the purpose of this study the researcher has used the convenient sampling method and has collected 150 samples for the survey. 300 questionnaires were distributed to the respondents who were working in Vellore districts of Tamil Nadu at manufacturing sector but only 180 could be collected, out of 180, 150 were usable for analysis and rest of the questionnaires could not be used due to lack of information. So the sample size of this study is 150.

Data Analysis

Data for this study is analyzed by using percentage analysis and chi-square test. Percentage analysis and chi square test were used to test hypotheses and to confirm the proof of the significance of the hypothesis as well as to confirm the nature of correlation between workers participation management and effectiveness of organization. The data analysis and interpretation of the study with respect to each objective are made here. Inferential analysis is made to give the personal inference of researcher on each and every table to attain the objectives of this research. Chi-square has been used to analysis the data and to give inference to attain the objectives of this study. This analysis is made on sample of the study. Description is made on the actual data were obtained from the sample respondents. Under this analysis the detailed explanations are given for each and every representative of sample. The detailed analysis is made on the following tables.

Table 1: Age Composition of the Respondents

AGE CROUP	NO. OF RESPONDENTS	PERCENTAGE
21-30	30	20%
31-40	55	37%
41-50	50	33%
Above 50	15	10%
TOTAL	150	100%

It is inferred that 55 respondents were in the age group of 31-50 years (Table 1). 30 respondents belong to the age group of 21-30 years and only 10% of the respondents belong to above 50 years of age. It is concluded that the majority of the respondents were in the age group of 31-50 Years.

Table 2: Educational Qualification of the Respondents

EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
+2 and Diploma	46	31%
Under Graduate	58	39%
Post Graduate	25	16%
Professional Qualification	21	14%
TOTAL	150	100%

Table 2 reveals that 39 % respondents were Undergraduates qualified +2 and Diploma holders' counts 31%, Professionally Qualified counts 14% and 16% of the respondents were post graduates. It is concluded that 39% of the respondents were undergraduates.

Table 3: Year of Experience of the Respondents

YEAR OF EXPERIENCE	NO. OF RESPONDENTS	PERCENTAGE
Less than 5 Years	25	16%
5 – 10 Years	45	30%
10 – 15 Years	55	37%
More than 15 Years	25	17%
TOTAL	150	100%

It is found out that 37 % respondents were put in 10 to 15 Years of experience (Table 3). 30% of the respondents were having service between 5-10 years. Only 15 respondents were put in above 15 years of service. It is observed that 100 out of 150 respondents were put in 5 – 15 Years of Experience.

Testing of Hypotheses

1. Age and Workers Participation Enhance the Effectiveness of the Organisation

Age Group	21-30	31-40	41-50	Above 50	TOTAL
Effectiveness					
Strongly Agree	4	14	7	0	25
Agree	20	30	24	1	75
Undecided	3	5	4	8	20
Dis Agree	2	4	7	2	15
Strongly Disagree	1	2	8	4	15
TOTAL	30	55	50	15	150

Ho: There is no relationship between Age, Workers Participation and Effectiveness of the Organization.

Calculated Value (54.54) is greater than Table value. Hence framed null hypothesis is rejected. It is concluded that there is relationship between Age, Workers Participation and effectiveness of organization. It is concluded that when employees are allowed to take part in all the activities of organization, its effectiveness can be automatically increased. From the above table it confirmed that the organizational effectiveness can be increased if the employees are on and above 30 years old allowed to participate in decision making process of management. If the workers who are less than 30 years are allowed to take part in the management process, the effectiveness of organization could not be enhanced. It is due to the known fact when people become age old their mental maturity level is more, therefore their performance effectiveness can be increased and this can lead to organizational effectiveness.

Hypothesis II**2. Year of Experience and Satisfaction with the Existing Management Practice**

Year of Experience \ Level of Satisfaction	Less than 5 Years	5 – 10 Years	10 – 15 Years	More than 15 Years	TOTAL
Highly Satisfied	4	7	8	3	22
Satisfied	11	17	32	9	69
Undecided	1	8	5	1	15
Dis Satisfied	7	10	7	10	34
Highly Dis Satisfied	2	3	3	2	10
TOTAL	25	45	55	25	150

Ho: There is no relationship between Year of Experience and Satisfaction with the Existing Management Practice.

Calculated Value (14.01) is less than Table value (21.0: 0.05). Hence the null hypothesis is accepted. There is no relationship between Year of Experience and Satisfaction with the existing management practice. It is concluded that experience does not have any role in the satisfaction with the existing management practices. . If the workers are allowed to take part in the management process, irrespective of their experience, the effectiveness of organization could be enhanced. It discovered that there is no relationship between experience and maturity level, therefore the performance effectiveness of employees whether they are experienced or not can be equal to the organizational effectiveness.

Hypothesis III**3. Year of Experience and Satisfaction with the Existing Management Practice**

Year of Experience \ Level of Satisfaction	Less than 5 Years	5 – 10 Years	10 – 15 Years	More than 15 Years	TOTAL
Highly Satisfied	4	7	8	3	22
Satisfied	11	17	32	9	69
Undecided	1	8	5	1	15
Dis Satisfied	7	10	7	10	34
Highly Dis Satisfied	2	3	3	2	10
TOTAL	25	45	55	25	150

Ho: There is no relationship between Year of Experience and Satisfaction with the Existing Management Practice.

Calculated Value (14.01) is less than Table value (21.0: 0.05). Hence the null hypothesis is accepted and it is concluded that there is no relationship between Year of Experience and Satisfaction with the Existing Management Practice. It is concluded that job satisfaction cannot be derived only because of experience; it requires many more things like age, educational qualification and mental maturity.

Findings and Conclusion

To assess the relationship between Age, Educational Qualification and Year of Experience and that of Workers participation, effectiveness of the organization with the existing management practice and satisfaction with present communication system, the formulated hypotheses have been tested. It is found out that there is relationship between Age, Workers Participation and effectiveness of organization and there is no relationship between Year of Experience and Satisfaction with the existing management practice but finally it is concluded that organizational effectiveness is correlated with workers participation in its management. To make an organization's performance more effective, first of all it should make workers participation more effective, this effectiveness should and can lead to workers job satisfaction. To make organization's performance as well as workers' participation in management more effective, the organization has to follow the following strategies. i) A progressive outlook must be adopted. It should be considered that industry as a jointenterprise in which workers have an equal right to say, ii) Benefits should be provided to workers to enlighten their participation in the management, iii) Employers and employees should recognize and respect the rights of each other, iv) Workers and their representatives should be provided education and training in the philosophy and process of participative management, v) awareness should be made among the workers about the benefits of participative management, vi) effective communication should be made between workers and management and effective consultation of workers must be made by the management in decisions that have an impact on them, vii). Participation should be a continuous process. To begin with, participation should start at the operating level of management. A mutual co-operation and commitment to participation must be developed by both management and workers. Modern scholars are of the mind that the old adage "a worker is a worker, a manager is a manager; never the twain shall meet" should be replaced by "managers and workers are partners in the progress of business.

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