

Determinants of Workers Participation in Management:

An empirical study of Sugar and Fertilizer Industry of Uttar Pradesh

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Abstract

The concept of worker participation represents a popular theme in the analysis of the world of work among scholars in the fields of Industrial Sociology, Industrial Relations as well as management. It refers to any arrangement which is designed to involve low cadre employees (workers) in the important decision making within the workplace. This implies that rather than saddling only a group within the enterprise (for instance, management) with the responsibility of making decisions, all those who are to be affected by these decisions (including the workers) would be involved in its formulation and implementation.

1. Introduction

The theory of workers' participation at the workplace or what is called as WPM historically conceptualized with the emergence of industrializing capitalist societies as early as the Industrial Revolution, as workers struggled to have power over of the labor process and to democratize workplace management. Since then, workers have started participating in decisions touching their working surroundings at various times in countries with capitalist systems, and soon after, in those with socialist systems. (Bayat, 1991)

In India the concept of worker participation in management still requires a deeper and clearer understanding. This concept is masked with so much indistinctness that for different people it has different meanings. For management it is joint consultation prior to decision-making; for workers it is co-decision making or co-determination; for trade union leaders it is the ushering in of a new era of social relationship and for administrators it is merely the association of workers with management without assigning them any authority or responsibility. Notwithstanding these different views on worker participation, all agree that it is an essential step involving redistribution of power between the management and workers in the direction of industrial democracy.

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Clerks, Fatchett and Roberts have mentioned four broad objectives of workers' participation in management in the British context, that is (i) as a means of promoting the satisfaction and personal development of an individual worker, (ii) on the ground that workers should have a greater say in decision making at work, (iii) as a means of improving industrial relations (iv) as a means of increasing efficiency.

2. Research Objective

The study attempts to investigate and identify the salient factors for making participation of workers more effective at the place of work. The major objectives of this research is to study the existing schemes of Workers' Participation in Management and to suggest a more effective system/strategy of workers' involvement in the process of decision. The functional structure suggested can solve many of the labour problems that prevail at present. Moreover, the management will be enabled to ensure greater involvement of workers in the decision-making process and greater cordiality in industrial relations.

3. Literature Review

The concept of worker participation represents a popular theme in the analysis of the world of work among scholars in the fields of Industrial Sociology, Industrial Relations as well as management. It refers to any arrangement which is designed to involve low cadre employees (workers) in the important decision making within the workplace. This implies that rather than saddling only a group within the enterprise (for instance, management) with the responsibility of making decisions, all those who are to be affected by these decisions (including the workers) would be involved in its formulation and implementation.

There has been a resurgence of academic interest in worker participation, employee involvement and workplace mutuality in light of the growing trends toward the practice of workplace flexibility, social dialogue and social partnership. Worker participation and workplace mutuality are linked to improved organizational performance through the effects they are said to have on employee satisfaction, commitment, motivation and morale (Kearney and Hays, 1994; Davis and Lansbury, 1996; Black and Gregersen, 1997). Participative decision-making is also seen as a form of empowerment that allows employees to realize their full potential thereby helping organizations to secure competitive advantage (Jarrar and Zairi, 2002).

In recent time, scholars have directed increasing attention to the issue of worker participation and its broader corollary, industrial democracy (Mankidy, 1984; Yesufu, 1984, Adewumi 1989; Verma and Syha; 1991, Kester and Pinaud, 1996; Adu-Amankwah and Kester, 1999). These concerns reflect a growing interest in finding ways to make work more meaningful and satisfying to the workers. This rest on the belief that the organizational goals of high productivity and harmonious industrial relations are best achieved when the higher level needs of the human elements (workers) are satisfied.

Renewed interest in employee participation therefore "indicates a shift . . . from a humanistic emphasis on quality of working life and industrial citizenship in the 1960s and 1970s to the

organizational efficiency argument dominant since the 1980s" (Markey, et al., 2002: 130). These authors note further that "employee involvement and participation in the workplace have become a growing phenomenon of HRM practice . . . at the same time that flexibility in labour market practices has grown rapidly . . ." (Markey, et al., 2002: 131). Resurgence of interest also reflects a concern in some quarters for the practice of "protective involvement" in workplace innovations (Eaton and Voos, 1989) as well as of "innovative militance" (contrasted with "reflexive, oppositional militance") through which unions create the space for "shaping the nature of change themselves rather than waiting to simply oppose change that management has imposed upon them" (Allen, 1990).

Worker participation and employee involvement have been extensively discussed in the literature (see, for example, Schregle, 1976; Bernstein, 1976; Dackler and Wilpert, 1978; Long, 1979; Locke and Schweiger, 1979; Lansbury and Prideaux, 1981; Rubenowitz et al., 1983; Lansbury and Davis, 1991; Eaton and Voos, 1992; McMahan and Lawler III, 1995; Black and Gregersen, 1997; Wimalasiri and Kouzmin, 2000; Ang, 2002; Mizrahi, 2002; Jarrar and Zairi, 2002). Our review of the literature will focus selectively on the nature and determinants of participation.

Managers who hold Human relation theory of participation belief simply in involvement for the sake of involvement, arguing that as long as subordinates feel that they are participating and are consulted, their ego needs will be satisfied and they will be more cooperative (Ritchie and Miles, 1970).

Employee Participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal (Locke and Schweiger, 1979; Wagner, 1994). Participatory management practice balances the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors (Wager, 1998).

Worker participation implies arrangements designed to involve workers in the enterprises decision making process. This allows for workers' involvement in the initiation, formulation and implementation of decisions within the enterprise. The concept can also be understood in terms of a new approach to industry and society in which people want to be interested with the taking of decisions which have direct bearing on them.

MacGregor (1960) contend that worker participation consists basically in creating opportunity under suitable conditions for people to influence decisions which affect them. It is a special case of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. This serves to create a sense of belonging among the workers as well as a conducive environment in which both the workers would voluntarily contribute to healthy industrial relations.

Worker participation exists in a variety of forms the use of which is likely to produce different organizational outcomes (Cotton et al. 1988). Two common forms of participation that have gained considerable attention in the literature are direct and indirect participation (Dackler and Wilpert, 1978; Dickson, 1981; Lansbury and Prideaux, 1981; Rubenowitz et al., 1983; Cotton et

al. 1988; Black and Gregersen, 1997). Direct participation involves employees in organization-based, work-related decision-making, consultative participation, and the use of quality circles and semi-autonomous work teams. Indirect or representative participation refers to practice of employee representation in organizational decision-making via works councils, safety committees, and boards of directors and other decision-making bodies in the organization (Cotton et al., 1988; Rubenowitz et al., 1983; Markey, et al., 2002).

The participation literature identifies several factors that are said to influence employers' willingness to introduce worker participation - organizational size, industry origin, business strategy and union presence. Cabrera, Ortega and Cabrera's (2003) examination of the impact of several organization-based factors on consultative and delegative participation respectively as practised in European organizations shows that organizational size is positively associated with the use of employee involvement practices (e.g., Hyman and Mason, 1995 and Lawler et al., 1995, as cited in Cabrera et al., 2003). Size and participation were positively related as larger organizations were likely to introduce more innovative and participative practices, compared with smaller organizations. Milner and Richards (1991: 383-384), too, found that "the deployment of EI techniques significantly increase(d) in workplaces with over 200 employees", confirming expectations, according to the authors, "concerning the economies of scale and greater potential advantage from EI for large workplaces as compared with smaller ones" (Milner and Richards, 1991: 385).

4. Data and Indicators of WPM

Data were collected using structured questionnaire from the workers of selected sugar and fertilizer industries of UP. A total of 350 questionnaires were distributed out of which only 249 usable questionnaires were received back.

A set of 20 variables were identified through literature review and focus group discussions that affects the participation of workers at the work place. Broadly the variables were related to suggestion schemes, various committees, meetings and perception of workers towards participative management.

Results

Factor analysis was used to extract the significant variable that makes WPM effective in an organization. Initial statistics the null hypothesis, that the population correlation matrix is an identity matrix, is rejected by Bartlett's test of sphericity. The approximate chi-square statistic is 1569.148 with 190 degree of freedom which is significant at the 0.05 level. The value of KMO statistic (0.834) is also large (> 0.5). Thus, factor analysis may be considered an appropriate technique for analyzing the salient variables in effectiveness of WPM. Principle component analysis with varimax rotation was applied to 20 items scale.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.834
Bartlett's Test of Sphericity	Approx. Chi-Square	1569.148
	Df	190
	Sig.	.000

four factor solution was obtained explaining 53.271 percent of the total variance. The first factor accounted for 26.941 percent of the total variance, factor 2 accounts for 13.558 percent of the total variance, factor 3 accounting for 6.957 percent of the total variance, and factor 4 accounting for 5.815 percent of the total variance. After rotation first factor accounts for 17.110 percent of the total variance, factor 2 accounts for 13.365 percent of the total variance, factor 3 accounting for 12.364 percent of the total variance, and factor 4 accounting for 10.432 percent of the total variance.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.388	26.941	26.941	5.388	26.941	26.941	3.422	17.110	17.110
2	2.712	13.558	40.499	2.712	13.558	40.499	2.673	13.365	30.475
3	1.391	6.957	47.456	1.391	6.957	47.456	2.473	12.364	42.839
4	1.163	5.815	53.271	1.163	5.815	53.271	2.086	10.432	53.271

Extraction Method: Principal Component Analysis.**Rotated Component Matrix (a)**

Variables	Loading	Factor
There is a committee of management & employees who meet on a regular basis to consult over workplace issues	.612	Factor 1 Effectiveness of Meetings (Variance explained = 17.110%)
Exposure to participative system (or WPM) is given in the meetings of the committees	.774	
The time allotted for meetings is sufficient	.633	
The committee members consult their colleagues before meetings	.610	
The committee members share the information with their colleagues after meeting	.559	
The decisions taken at committee meetings are implemented	.691	
The top management is not interested in the decisions of committee meetings*	.642	
Workers are involved in the decision making process as committee members	.720	Factor 2 Functioning of Participative Committees (Variance explained = 13.365%)
Participative committees addresses the day to day issues	.749	
Committee listens to the problems and resolves them	.755	
These committees are capable of helping the workers in their issues	.677	
I trust the participative committees	.570	
WPM in my organization is beneficial to me	.679	Factor 3 Perception towards WPM (Variance explained = 12.364%)
WPM is a motivating factor	.654	
WPM increases my capability and productivity	.661	
WPM increases my commitment level in the organisation	.565	
Your suggestions are forwarded to the management	.453	Factor 4 Suggestive Schemes (Variance explained = 10.432%)
Management implements the suggestions provided by the workers reasonably	.705	
Employee suggestion scheme is an effective way of WPM	.754	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 6 iterations.

It is felt that the success of WPM is determined by four factors: Meetings, Participative Committees, Perception of Workers towards WPM and Suggestive Schemes.

Meetings have been considered of utmost importance and explains 17.11 % variance. The presence of various councils and committees have been considered to be the second important factor. All councils and committees remains ineffective unless they meet on a regular basis and discuss the workplace issues. The time allotted for such meetings must be sufficient. In order to make meetings more effective workers must be consulted prior to the meetings and agenda must be shared with workers. The proceedings of meetings must also be shared with the workers and the decision taken must be implemented.

5. Findings and Suggestions

The study suggested that there are four factors that determine the success of WPM in any organization. The first determinant is the "effectiveness of meeting". To make the meetings effective, the participative committees must meet at a regular intervals and consult over work place issues. At the same time committee members must consult the workers before meeting and agenda must be circulated before hand and the completion of the meetings discussion must be shared with workers.

The meetings will not develop trust among workers until the decisions taken are implemented therefore, it must be made sure that decisions taken during meetings must be timely implemented.

Second important determinant for the success of WPM is the functioning of committees. Workers will have trust in such committees only if they listen to the problem of workers discuss and resolve them. Committees must ensure that the workers are involved in decision making.

The study reveals that committee listens to the day to days issues and try to resolve them. Though it was found that committees were not able to resolve the issues every time. Workers believe that if participative committees function effectively it will built trust among workers towards such participative committees.

The third important determinant is the perception of workers towards WPM. If the workers don't trust the participatory mechanism it can never gain success in any organization. Hence, it is necessary to develop a favorable attitude among workers towards WPM. During field investigation workers accepted that WPM or the Participative Schemes are beneficial to them and have a positive attitude towards such scheme. They perceive that WPM is a motivating factor but at the same time don't believe that it is going to affect their capability and productivity. Workers do believe that WPM affects their commitment level.

Finally, suggestion schemes also add to the success of WPM in any organization. During field investigations workers stated that their suggestions are not forwarded to the management properly. Few workers accepted that at some point of time their suggestion have been considered and accepted but in a limited way. Workers also said that they are ready and willing to think creatively and suggest different ways of increasing productivity provided they are given monetary rewards for their efforts.

6. Limitations of the study

Although the present study has yield findings that have both theoretical and management implications, its design is not without flaws. As mentioned earlier, much work has not been done in this area in India. Hence, this research design had to be based mainly on work reported internationally. However, discussions with experts in the field were used to modify the research design to suit the Indian environment. India being a multi-cultural country, it was thought appropriate to study industries from a single cultural segment. This segment was chosen as the state of Uttar Pradesh for reasons of familiarity of the researcher with the culture and the industry.

The first limitation of this study is the smaller sample size and sampling technique, due to constraints of resources and time, not many workers could be interviewed. It is obvious that findings could have been more accurate if more employees could be interviewed. Similarly due to very selective application of WPM policies in industries, it was not possible to chose random sampling techniques for sample selection process.

Second limitation was the limited sectors of study. Only two sectors were included i.e., sugar and fertilizer due to constraints of resources and time.

Lastly, variables used in factor analysis have not been used earlier in any other study. They have been selected through literature review and needs to be validated.

7. References

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