

Workers ' Participation in Decision-making: a Trade Union Perspectives

Introduction

The two major aspects of enterprise are ownership and control. Ownership and control had been treated as inseparable and almost one phenomenon in the early stage of industrial development. However, the present environment is different and the 'terms' have come into two distinct usages and practices. Shareholders of the company, these days, are just the owners and do not exercise or have no control over processes of management or day to day decisions of the company. A distinct class has evolved which controls and manages, whom we call managers, although the managers concentrate themselves on the interest of the ownership. In these circumstances, the question is whether the workers should participate in management and control or decision making processes.

The thought that the participation of workers in management is inevitable in the process of decision making for higher productivity in micro and macro level and for the smooth functioning of industrial democracy has gained much strength today. It is because of the realization that labour is not only the factor of production; it is also a sensitive human element. Workers' participation in decision making will, if implemented sincerely, honestly and effectively with a welcome approach by the employer, certainly produce two immediate effects - one in productivity and the other in industrial relations. The increasing productivity and sound industrial relations will work hand in hand to ensure smooth functioning of economy and industrial democracy. But it is not an easy task; it requires the real commitment and some prerequisites.

Prerequisites

- Our organization believes in maintaining an adequate distance from both the extremes of 'always conflict' and 'always negotiation'. However our balanced and cooperating approach alone can't work to the desired extent. Equally important is the approach of employers, who often violate democratic norms and try to behave as masters working against the sentiments of social justice. Feudal characteristics dominating their mentality makes them deviate from the thought that workers are their partners who invest labour and that the workers deserve due respect.
- Secondly, in our country, there is a tendency in most of employers to look at minimum wages as the maximum payment. They are always anxious to curtail labour costs rather than to create internal and external economies in the process of production. Instead of controlling administrative costs and extravagancies and taking initiative towards innovations, most of them always try to increase their profit margin by pushing the workers to more hardships and sacrifices. Unfortunately, the minimum wages are insufficient to fulfil even the bare needs, including subsistence of the majority of workers. In such 'less than subsistence' wages, no one can expect sound industrial relation and higher labour productivity.
- Thirdly, with the worldwide expansion of liberalization policies, changes in the terms and modes of employment have given more coverage to the use of sub-contracting and casualisation. The uncertainty and insecurity of employment is increasing gradually and a threat to the existence and effectiveness of unions is developing slowly when compared to previous years. In addition to it, employers are raising their demand for uninterrupted use of 'hire and fire' policy. In such an environment, cordial labour - management relations can not be achieved.

Therefore, in our context, attitudinal change in the employers' mentality has become a major prerequisite for establishing sound industrial relation and workers' participation in decision making processes.

- In our country, the minimum wage in organized sectors is of four categories separately fixed for unskilled, semi- skilled, skilled and highly skilled workers which are less than sufficient. The categorization of workers on the basis of skill is not based on objective criteria. We feel that this type of classification is not practical. We are of the opinion that minimum wages should be one and single (although minor regional differences may exist). Basic minimum wages can be defined by calculating a need of a worker to support a family of four members. The calculation can take an annual expenditure of the family as a point of departure to pay for the items like food, clothing, house-rent, daily consumption goods, medicines, education of children, transportation, and entertainment. The basic minimum wage thus decided should be tied up with the consumer price index so that the real wage and real income may be protected from adverse effects of inflation. The preparation and updating of agricultural labour index and industrial labour index and the indexation of wages are the major current issues at present.

We advocate that minimum wages should be provided on the basis of working hours and fair wages and incentive earnings on the basis of productivity and efficiency. The provisions of provident fund, gratuities and pensions must have common coverage. We have always resisted employers' demands for 'hire and fire' but simultaneously we pay attention and give emphasis on the development of skills and competitiveness. We are committed to taking steps for the extension of fringe benefits and comprehensive social security along with the emphasis on productivity, efficiency and quality.

In our realities, to sum up, a balanced national wage policy and social security system are crucial for sound industrial relations and for workers to go hand in had with employers.

- Effective workers' Education programs can play a highly crucial role in creating a climate of confidence and goodwill between workers and employers. By assisting workers' education programs, the government and employers can contribute to develop good understanding. As far as our role is concerned, we have launched a package of workers' education program form 1993 named as 'TRUE - Campaign'. From the experiences acquired, we have developed the concept of the 'mobile trade

union school ' which is highly popular among the working masses.

Unfortunately, there are many employers who are unhappy with such education programs; they are against union activities and consciousness of the workers. They have not realized that conscious workers will be more productive than the ignorant ones if they are treated as a constructive social partner. Government too has not done anything mentionable in this regard. In short, effective workers' education programs significantly contribute to enhance labour management relation.

Experiences

The concept of workers' participation in management and decision-making processes is not a new concept. Provisions like works committee, joint management council, and nomination of workers' representatives in managing committee have been included in labour laws of various countries. In our country, first of all it was introduced in the form of 'works committee' in the Factory and Factory Workers' Act 1959'. But in practice, it didn't work. As mentioned above, the feudal mentality of the employers made the provision totally passive and ineffective. But the major responsible factor for the failure of the works committee was the autocratic political system which banned representative unions and developed a puppet union.

It is only after 1990 that unions started operating over ground. And then in 1992, the new Labour Act was enacted. The Labour Act has emphasized workers' participation in management in the form of 'labour - management committee'. But here again, the employers do not act positively. In order to evade tax obligations and transparency requirements, they maintain a distance from the workers and blame the workers for non-cooperation and non-participation. They do not like to disclose the actual financial position and loss and profit accounts because they often play foul in terms of distribution of bonus. Similarly negative experiences have been observed in the behaviours of workers' representatives when they behave like managers. These are the bitter experiences of our organization. If an honest entrepreneurial culture is developed with respect for transparency, viable changes can be generated.

Possibilities

We believe that workers' participation in management and decision-making processes in enterprise or plant levels has good impacts in several issues including the improvement in working conditions. We feel that the demand for participation in management is to be raised in order to bring about transparency in managerial activities and decision-making process, which will enhance a fair sharing of gains. It will strengthen workers' psychology as labour investors of equal status and will produce positive results in terms of higher and higher productivity. However, these possibilities depend on attitudinal changes in employers and effective workers' education. Only then can industrial democracy and labour-management cooperation be pushed to a new height towards desirable horizon.

(GEFONT position paper prepared by Umesh Uadhayaya, 1996)