

# **A STUDY OF THE EFFICACY OF THE SYSTEM OF WORKERS PARTICIPATION IN MANAGEMENT IN PAPER INDUSTRY OF INDIA WITH SPECIAL REFERENCE TO CACHAR PAPER MILL**

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## **ABSTRACT**

*Industrial revolution in the 18<sup>th</sup> century has redefined industrial democracy and it is one of the vital issues in industrial management as it influences the functioning and efficacy of the industry. Paper is more than an industrial product. It is the cultural barometer even in the age of computer and internet. Thus in our study, efficacy of workers participation in management (WPM) is analyzed in Cachar Paper Mill (CPM), which is a unit of Hindustan Paper Mill (HPC).*

## **I. OBJECTIVES**

Our objective was to study the existing system of workers participation in management in CPM and to measure the efficacy of the system of WPM in CPM as per the perception of the executives and workers representatives.

## **II. METHODOLOGY**

A variety of literature was surveyed for the theoretical aspect of the study. Then initially some selected managers and union leaders were interviewed to know their perceptions about the tools and parameters which may ascertain the degree of efficacy of WPM in that unit. After their views on the tools, two different sets of questionnaires were prepared for Workers' representatives and executives. Since the unit chosen employs a large no. of employees, thus sampling was done. 5 % of the workers representatives and 10 % of executives of the unit were targeted. After collecting the views of both the parties the data was compiled, analyzed and interpreted.

## **III. MAJOR FINDINGS**

The study reveals that there are four trade unions in operation in CPM. Cachar paper Project Workers and Employees' Union, Project Workers' Union, Project Mazdur Union, Mill Mazdur Union. The first one is recognized and rest three only registered. Thus right to sign the agreement lies with the recognized unions for three years. Also it was found that there were seven forums in operation where workers participate. The tenure for the forums is two years. The ten questions put to the managements representatives aimed to understand their opinion about workers representation and issues related to it. Its results were very interesting as percentage of the responses were moderate.?? Finally it was found that the performance of the Joint Bipartite Forum was found as the best on almost all the counts and Works Committee was next. The performance of Canteen

Committee, Shop Floor Council and Safety Committee was found poor. The other forums such as House Allotment Committee and Communication Committee were found moderate.

#### **IV. IMPLICATION TO INDUSTRY**

Thus our hypothesis that in view of the Workers' Representation of CPM, the system of WPM in CPM is efficacious to little extent, in this case does not hold fully true as good number of Workers' Representatives held good opinion about the functioning of at least one-third forums. Thus the functioning of the Forums/Committees should be improved. The management should initiate certain efforts to improve the perception of the parties.

#### **V. SIGNIFICANCE OF THE STUDY**

The importance of contribution of industries towards economic growth of a country is well known. Not to say that this contribution becomes more important when the countries are developing ones specially the one like India.

Ensuing a smooth functioning of industries, specially the large ones, therefore becomes a compulsory requirement. However, it is not an easy task to ensure the smooth functioning of the industries because of the increasing challenges like liberalization and globalization which has apart from others, brought on the fore cut throat competition, which insists for further reduction in cost, transfer of technology which apart from others requires timely updating the knowledge and the skills of employees, fast changing requirements and preferences of the customers which forces more spending on Research and Development on the one hand and the shortening of the life cycle of the product and services on the other and the fast changing amount and type of control over the industries by governmental and even the non governmental agencies like consumer protection forums etc.

Experts have been devoting their energy to identify the factors which are capable of motivating the workers to perform and contribute the best. During the initial days of industrialization it was thought that it is the money alone that helps in addressing various needs of the workers which can motivate the workers to work more. It was only in course of time that experts discovered that money can help in motivating workers only to a certain extent. Beyond this they can be motivated by such incentives which help them in addressing their esteem needs and the needs related to self actualization. Money can help in ensuring their physical presence on the work place. If the mental and emotional involvement of the employees is to be ensured then they may have to be given authority in sharing the decision making. Experiments then started taking place to test the efficacy of this tool. Surprisingly in most of those regions and industries where the workers had already been provided fair wages the schemes like WPM, which gives an opportunity to workers to share in the decision making process of the industry, showed encouraging results though in varying degrees.

It was experienced that when given the opportunity of participation they consider themselves an integral part of the industry rather than mere working hands. Participation provides the employees to satisfy their esteem needs by expressing themselves their views and realizing that they are the equal partners in the industry.

(1). Tom Peters contends that the emphasis on human resource in the development of new ways of organizational thinking requires "flexibility by empowering people". More specifically, he argues that this power can most effectively be tapped when people are gathered in human –scale groupings that is, teams, more precisely, self managing teams. (1)

(2). The problems according to theory y, is human being. Managers should take advantage of their subordinates' willingness and ability to work by providing a climate that will not only bring out the best in staff members but will give them room for personal improvement. Participative management becomes the ideal. (2)

(3). Managers must encourage full participation (of workers) in important matters continually broadening subordinate self direction and self control. (3)

(4). In organizational terms, people want to be good at their jobs; they also want to feel that they are achieving something important when they perform their jobs. Managers have many ways of fulfilling both types of esteem needs in subordinates by providing challenging work assignment, by obtaining performance feedback, by recognizing performance, by encouraging them and by involving subordinates in goal setting and decision making. (4)

But ensuring the willing co-operation of the workers, in order to have their best contribution towards the attainment of the organizational goals, has always been an arduous task for experts. Unlike the past when the workers in many cases were treated like a commodity, today's workers are more educated, cautious, united and sensitive to their need and preferences and aware of their rights. Even otherwise a worker, being a human being needs to be treated differently than the other factors of production.

## VI. HYPOTHESIS

1. In view of the executives of CPM the system of WPM in CPM is efficacious to a large extent.
2. In view of the Workers' Representatives of CPM the system of WPM in CPM is efficacious to a little extent.

## VII. METHODOLOGY

To achieve the objectives of the study the investigations have been carried out in the following ways:

Initially some selected managers and union leaders were interviewed to know their perceptions about the tools and parameters which may be used to ascertain the degree of efficacy of workers' participation in management in any industrial unit and more so in the units like Cachar paper mill.

This exercise was conceived as pilot survey. This exercise was considered necessary for the reason that often the set of audience selected for interview/answering the questionnaire do not feel fully satisfied with the tools and parameters used by the researcher to elicit their opinion on the matter concerned, partly because they feel that the tools and parameters used are insufficient while partly they do not find themselves in full agreement with those tools and parameters which have been proposed by the researchers to conduct the study.

After the views of selected managers and union leaders, over the tools and parameters, were elicited these were merged with the ones which have till now been developed by the experts of the subject over the matter-off course after ensuring the avoidance of any duplication of these.

After discovering the tools and parameters, with the help of which the matter could be probed thoroughly, two different sets of questionnaires were prepared for two different sets of work-force of the industry i.e., Workers' Representatives and the Executives so that the views of not only each category of personnel could be had but also these could be cross- checked on vital matters wherever so possible and necessary. Since the unit chosen for the study employs a large number of employees, the number of persons interviewed through questionnaires had to be limited and therefore sampling was naturally an ideal way to address the objectives.

Even though initially it was proposed to interview, through questionnaires, approximately 5% of the Workers' Representatives and 10% of Executives of the unit, this target had to be reviewed in light of the fact that a good

number of Workers' Representatives and also Managements' Representatives were found representing their class in many forums. Finally approximately 7% of the executives i.e. 17 and 3% of the Workers' Representatives' i.e. 30 were interviewed for the purpose. The sample includes not only blue and white collar workers and executives but also a cross-section of the employees/executives covering major departments/sections/ shop floors, both the genders, variety of educational background, various income and age groups and other such categories on the basis of which a work force is ordinarily divided.

These 30 Workers' Representatives are those who represent the workers in various bi-partite forums of CPM and are drawn from all kinds of unions i.e. the recognized union and also the non-recognized ones i.e. registered , though a majority of them are apart from recognized union.

After collecting the views of both the groups, the same have been compiled, analyzed and interpreted. In order to address the theoretical needs of the study the dependence has been made on a variety of literature which includes books, text and reference both, journals, research studies, published and unpublished along-with the material which was provided by the management of CPM in the form of booklets, circulars, cyclostyled materials and in other forms.

### **VIII. MAJOR LIMITATION OF THE STUDY**

The efficacy of the system of WPM in CPM is proposed to be measured only through the study of perceptions of randomly selected Workers' Representatives and the Executives of CPM on the functioning of selected bi and tri-partite forums under operation at CPM.

### **IX. CONCLUSIONS AND SUGGESTIONS**

In order to address the thrust of the first objective a detailed study of the existing system of Workers' Participation in Management at work in Cachar Paper Mill was carried on and completed.

Since the trade unions are indispensable for the schemes like Workers' Participation in Management it was considered apt to have a detailed study about these too and even before having a study about the scheme of Workers' Participation in Management at work in Cachar Paper Mill.

### **X. TRADE UNIONS IN CACHAR PAPER MILL**

The study revealed that there are four trade unions in operation in Cachar Paper Mill. These are:

1. Cachar Paper Project Workers' and Employees' Union
2. Cachar Paper Project Workers' Union
3. Cachar Paper Project Mazdur Union
4. Cachar Paper Mill Mazdur Sangh

Out of the four above the first one i.e. Cachar Paper Project Workers' and Employees' union is a recognized one and the remaining three are only registered ones. Not to say that the right to sign the agreements with management on behalf of the workers lies with the recognized unions i.e. Cachar Paper Project Workers' and Employees' Union. As per the provisions in this regard a union is allowed to enjoy the status of a recognized Union for a period of three years.

In CPM out of the registered unions that union is declared as the recognized one which enjoys confidence of the majority of the workers. The fact that which union enjoys the majority support is ascertained through a process

of election. However in case any one union fails to enjoy the confidence of workers then a combination of two (or more) such unions is accorded the status of Recognized Union who together enjoy the support of more than half of the permanent workers of CPM.

The union which is now operating as the recognized one i.e. Cachar Paper Project Workers' and Employees' Union has been working since 1984 and is the oldest one. The union has been functioning democratically as the elections to elect the office bearers and the members of the Executive Body take place regularly as per the provisions of the constitution of the union.

## **XI. THE SCHEME OF WORKERS' PARTICIPATION IN MANAGEMENT IN CPM**

The study revealed that there are seven forums in operation in the unit which provide the opportunity to workers to participate in it through their representatives. Out of these seven forums one i.e. Joint Bi-partite Forums operates at corporate level i.e. Hindustan Paper Corporation and five i.e. Works Committee, Safety Committee, House allotment Committee, Communication Meeting and Canteen Committee contribute at unit level. One committee i.e. Shop Floor Councils function at departmental/shop floor level.

Out of these seven Forums four are represented by the workers through such Workers' Representatives who are nominated by the Recognized Union for the purpose. These are Safety Committee, House allotment Committee, Communication Meeting and Shop Floor Councils. Thus it is clear that these four Forums get representation of the workers only through Recognised Union whereas two forums i.e. Works Committee and Canteen Committee are such which are represented by the workers through their representatives who are elected for the purpose (not nominated by the Recognised Union) from amongst (any of) the four unions operating in the organization. Not to say that these representatives could be those too who belong to registered unions and not necessarily from the Recognised one. One forum i.e. Communication Meeting gets representation of the workers through all the members of the Executive Committee of the Recognized Union.

The tenure of all the forums is two years, except the joint Bi-partite Forum which is restructured after a period of three years.

Out of the seven forums one i.e. Canteen Committee, is such where the representation from both the sides i.e. the management and the workers is equal with three members from both the sides. Further House Allotment Committee is one such where the composition is 3+2 i.e. three 3 Representatives from the side of the workers and two representing management. Different from the composition of the above two committees the Works Committee and the Safety Committee are represented by ten representatives each from both the sides. Communication meeting and Shop Floor Councils are such forums where the representation of both the sides is not equal. In communication meeting the management is represented by all the Chief Executive Directors concerned and the HODs, and the workers by the entire Executive Body of the Recognized Union. The Shop Floor Councils too are not represented equally by both the sides.

The Shop Floor Councils are headed by the Head of the concerned Shop Floor Councils. Other Management Representatives, in this Forum, are nominated by DGM HRES. Generally Sr. Managers are nominated in Shop Floor Councils as

members by DGM-HRES-Joint Bi-partite Forum, a corporate level body is represented by the management generally by Director-Finance, General Manager HRES of CHQ and DGMs of all the four units (Ex-Officio). The workers representatives in this Forum are nominated by the Recognised unions of all the four constituent units of HPC.

Except the Joint Bipartite Forum, which meets once in six months, all the other Forums' meetings' frequency is either once in three months or monthly. Those which meet once in three months are Works Committee, Safety Committee and House Allotment Committee. Forums meeting monthly are Canteen Committee, Communication Meeting and Shop Floor Councils.

In order to address the requirements of the second objective i.e. to measure the efficacy of the system of WPM in CPM as per the Executives' perception. 17 selected Executives were interviewed on a variety of matters related to WPM in CPM.

In reply to first question, which was aimed at knowing the Executives' perception about the extent of Workers' Representatives understanding of the matters in the agenda of the meeting concerned, almost 95% (94.11%) managers reported that the understanding of the Workers' Representatives of agenda matters is Moderate.

The responses of the Management Representatives for the second question which was aimed at knowing the extent of Workers' Representatives sticking to agenda matters during the meetings as per the perception of Executives, was almost on the same lines i.e. Moderate as reported by 82.35% Executives interviewed, as it was in earlier case.

When asked from Executives about the degree of Co-operation Workers' Representatives extend during the meetings of participative forums, they were divided in almost two equal lots. A majority of the executives (52.94%) reported the co-operation of the Workers' Representatives as Moderate, whereas almost a similar percentage of them (47.05%) found it high.

The fourth question, the replies of which had to be given in a descriptive form, tried to know the special efforts that are taken by the management to ensure the presence of quorum. Almost two third Executives did not reply this question and remaining one third narrated that the information is communicated to the members of the forum, which means practically no special efforts, are made to ensure the quorum by the management.

The fifth question too tried to know the perception of the Management Representatives in a descriptive manner. It was about the reasons related to late implementation of some of the decisions of the participative forums. Like in case of earlier question, here too almost two third respondents did not mention any reason, whereas among the remaining once most of them wrote that the decisions are implemented in time.

The next question was about the extent of the implementation of the decisions as per the letter and the spirit. Less than half (41.17%) of the executives were of the view that the decisions are implemented in the letter and the spirit to a Moderate extent, whereas 23.52% of them were of the view that these are implemented following the spirit to a High extent.

Against the supplementary question of the above, which tried to elicit the reasons of non-implementation of some of the decisions in letter and spirit, literally nothing came out as no one mentioned any reason. Instead, some of them preferred to write Not Applicable, whereas others left the column blank. Technically speaking those respondents who had in response to earlier question agreed that the decisions in some cases are not implemented in letter and spirit, should have attempted this question. This was perhaps because of the apathetic/negligent attitude of the Management Representatives towards the task of filling in questionnaires quite often as good number of researchers from many educational institutions approach them for the purpose. May be that they did so because they were in hurry.

The last but one question was aimed at noticing the degree of satisfaction of the Executives over the overall functioning of WPM in CPM. Almost 53% (52.94%) of the Executives interviewed were moderately satisfied on the matter whereas a little less than these i.e. 47.05% were highly satisfied.

The last question was put to them to know their perception over the existence of two different systems of representation of the workers in the forums i.e. Election and the Nomination by the Recognized Union. Since the replies were not sought against any structured objective type of possible answers, here too the respondents in good number left the question unattended.

Our hypothesis that in view of the executives of CPM the system of WPM is efficacious to a large extent thus comes true as a large percentage of Executives has reported favorably about the functioning of various counts of WPM in operation at CPM.

The requirements of the third objective, i.e. to measure the efficacy of the system of WPM in Cachar Paper Mill as per the perception of Workers' Representatives, were tried to be addressed by knowing the views of 30 Workers' Representatives on a variety of matters related to WPM in CPM.

The first query was aimed at knowing as to how many Workers' Representatives are acquainted with the existence and the functioning of seven participative forums of CPM. What came out was a very high percentage of Workers' Representatives ranging from 90 to 93) knew that Works Committee, Safety Committee, Communication Meeting, House Allotment Committee, Canteen Committee and Shop Floor Councils were in operation at CPM. Those who knew about Joint Bipartite Forum were only 53.33% of the respondents.

On an enquiry that whether the existing number of committees is sufficient to ensure a fair participation by workers, almost two third respondents (63.33%) were of the view that the existing forums are sufficient. All remaining 36.67% did not attempt the question and left the column blank. Not to say that none wanted to add more forums in the list.

To the question that which of the committees meetings are not held as per the provisions of interval in this regard, it came out that the Canteen Committee is the major defaulter on this count as 53.33% Workers' Representatives reported adversely about it. Joint Bi-partite Forum and Safety Committee were noted as the good performers on this count.

To the question that notices regarding which of the committees meetings are not sent in time as per the provisions, it is found that the performance of House Allotment Committee and Canteen Committee is comparatively poorest as 33.33% Workers' Representatives (in each case) opined like that. The performance of Joint Bi-partite Forum and Works Committee was found good on this count too as none spoke against these.

To the question that whether or not the agenda of the meetings is circulated in time, it came out that except Joint Bipartite Forum and Safety Committee (0 percent in both the cases) the performance of almost all the committees was considered poor by approximately 30% of the respondents.

On the enquiry that whether or not the minutes of the blast meeting are circulated well before the next meeting, we found that Shop Floor Councils and Communication Meeting were the major defaulters as 40% and 36.66% Workers' Representatives respectively opined negatively about these two. Whereas Joint Bipartite Forum and Works Committee were found Champions here too as none opined against these two.

On the enquiry that which of the committee's meetings could not be held because of lack of quorum, we found that Joint Bipartite Forum, Communication Meeting, House Allotment Committee and Canteen Committee performed well as none raised any finger against these. About other matters of lack of quorum there were discrepancies found in the replies by the Workers' Representatives for the question numbered 6 (including the one on personal information) and the one under discussion.

While trying to know that the decisions of which of the following committees were not implemented in time, what came out was the performance of Shop Floor Councils was considered to be the worst as 76.67% of the

Workers' Representatives opined so, and that of the Joint Bipartite Forum as the best as none opined his mouth against this. The performance of other forums on this count was somewhat poor.

In the process of knowing that the decisions of which of the committees were not implemented as per the letter and the spirit, the enquiry revealed that the performance of Joint Bipartite Forum is the best on this count as none made an adverse entry. The negative remark for Works Committee on this count was by only a negligible percentage (3.33) of Workers' Representatives. The performance of all other forums on this count was not good in the opinion of a comparatively lesser percentage of Workers' Representatives (ranging between 6.67% to 16.67%).

To the question that how many times it had happened that a part decision, over a matter which was scheduled to be discussed in the meeting, was already taken by the management, 63.33% Workers' Representatives opined- Always. The position of the Safety Committee and Communication Meeting was only slightly better as 60% and 56.67% Workers' Representatives had a similar opinion about these two i.e. Always. Surprisingly the Workers' Representatives views about Canteen Committee on this count-were quite favorable as none suggested the frequency as-Always.

The next question which enquired the views of the Workers' Representatives was about accuracy of the recording of the minutes of the meetings. This, unlike the other questions, was put in a positive form. Communication meeting topped the list on this count as 53.33% Workers' Representatives held a high opinion about this forum. The percentage of Workers' Representatives declaring the recording of the minutes accurate was 40 each in case of Joint Bipartite Forum, Works Committee and Safety Committee, Canteen Committee was the lowest ebb in the performance on this count as only 6.67% Workers' Representatives said so.

Sharing their degree of satisfaction on the overall performance of the system of WPM in CPM, 66.67% Workers' Representatives in case of Communication Meeting and 60% of them in case of Joint Bipartite Forum held a high opinion in literal sense as they were satisfied to a high degree. The performance of Works Committee was in a sense better than others that 80% Workers' Representatives found it Moderate whereas in case of other committees the opinion of Workers' Representatives was poor.

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