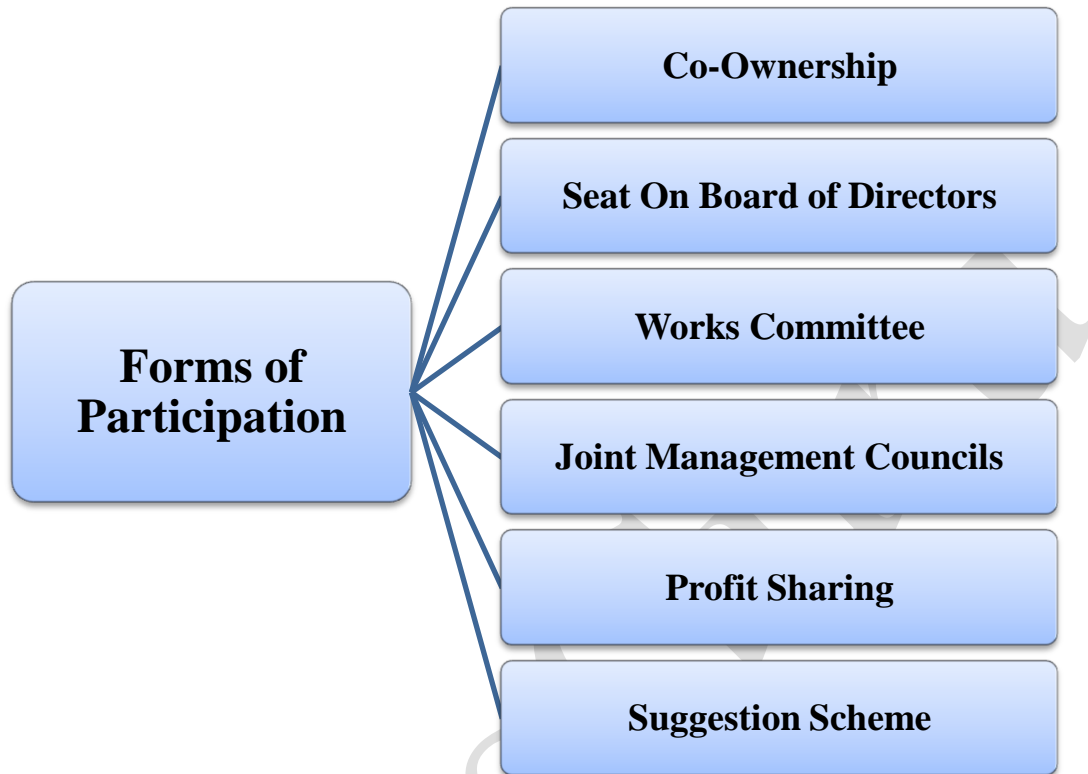


Types and Forms of Participation



1. Co-Ownership

Workers are made shareholders by allotting those shares in the company. They are employees as well as owners of the business concern. Thus, their participation in the management is automatically guaranteed.

2. Seat On Board Of Directors:

In this case the workers' representative is given a seat on the boards of directors. In advanced countries like Britain and U.S.A., trade unions have already rejected this idea. It is generally felt that the workers do not understand the intricacies of management.

Moreover, their representatives being in minority may not have much say in the decision making whereas that decision will be applicable to all the employees. By remaining out of the board, they can keep a better check on the management.

The Sachar Committee studied the problems of workers' participation in management and observed "Conditions must be created where the worker directors are able to play a helpful and effective role. It is apparent that as a member of the board, the worker director will familiarize himself with subjects with which he was not associated before. The training of the employees must, therefore, be immediately taken in hand".

3. Works Committee

The works committee started in India because of the Industrial Dispute Act 1947. It was this act which stated that “in case of any industrial establishment in which 100 or more workers are employed or have been employed on any day in the preceding twelve months the appropriate government may by general or special order require the employer to constitute in the prescribed manner a Works Committee consisting of representatives of employers and workman”. The objective of the works committee is to create cordial relations between the management and the workers. The Works Committee does not perform any administrative function it is an advisory body. It is not expected to deal with matters relating to wages, allowances, bonus, etc.

4. Joint Management Councils

For the success of Industrial Planning it was necessary to set up Joint Management Council in the industrial undertaking which will have representatives of Management Technicians and Workers.

Joint Management Council can discuss issues related to lighting, ventilation, temperature, sanitation, drinking water, canteens, dinning and rest rooms, medical and health services, safe working conditions, administration of welfare funds and recreational activities.

The governments Industrial Policy resolution of 1956 stated that in a socialist democracy labour is a partner in a common task of development and should participate in it with enthusiasm, there should be joint consultation and workers and technicians should wherever possible be associated with management.

The objective of the Joint Management Council were to promote cordial relations between management and labour to build trust and understanding and also to increase productivity, secure effective welfare and other facilities to train workers and share responsibilities and in general to function as a consultative body. The Third Five year Plan desired that the Joint Management Council's become a normal feature of the industrial system, and integrate private enterprises into a socialist order.

5. Profit Sharing

Workers feel involved in the management especially when they are given a share in profits of the business.

6. Suggestion Scheme

Suggestion scheme may also be introduced for creating interest in the work by announcing a suitable reward for original and useful suggestions. Employees can put their suggestions in the suggestion boxes which are installed in the various departments.