

Employee's Participation in Management in MNCs in India

Dr. Shashwat Shukla

Abstract: *This research has defined, briefly some of the key issues and trends in industrial relations in the wake of globalization with particular reference to India. This is linked to the global product on supporting collective bargaining and sound industrial and employment relations, involving close collaboration between the industrial and employment relations. The national studies aim at analyzing the degree of employee participation within the enterprise, the forms such participation has taken, the issues that have been its focus, and its impact on workers' rights, employment conditions, and the economic efficiency of the enterprise. Employee participation at workplace level facilitates better labour-management communication, prevents and absorbs disputes and helps to find solutions for both work and production-related issues. It has also the potential to reflect the voices of those whose trade union representation tends to be either low or absent. Various employee participation practices can thus play a complementary role to promote collective bargaining and sound industrial relations, so long as they are not used as replacements for collective bargaining.*

Keywords: Employee Participation

1. Introduction

During the past two decades, however, many employee involvement processes have re-emerged at some large firms, along with other human resources management or industrial relations practices, mainly driven by enterprises' need to remain competitive and productive by involving their workforce in the business as a whole. Yet information sharing, suggestion schemes and consultation are most commonly found, whereas codetermination or participation in its true sense exists only in a few cases. Try to find out that real employee participation is still relatively rare and the sustainability of recent developments remains nebulous or at best unpredictable. The extent to which emerging employee participation processes in India can be used to complement collective bargaining and sound industrial relations will continue to be the subject of our research to encourage an exchange of ideas.

2. The Concept of Employee Participation

Workers' participation in management is probably the most misunderstood and misused concept in labour-management relations in India, and has been taken to imply even collective bargaining, or to include suggestion schemes, employee ownership of stocks and so on.

“Right of workers to participate in decisions on issues which concerned them, any matter where workers exerted influence was deemed to be participation”. Wages and working conditions were considered to be legitimate areas of employees' concern, but the question naturally arose about the limits of these concerns. In India, it is easier to ask what does not interest the worker or what does not affect his work. Where the organization is concerned, everything – from its products and processes, its machines and their maintenance, to the markets, finances, or managerial remuneration in the enterprise – is of concern to employees. These concerns, however, vary, depending upon the circumstances. Again, all concerns do not interest all workers equally all the time. In stable economic conditions, with assured markets and steady profits, employees may be content to count only their monthly pay packets. But once

markets change, organizational performance declines or layoffs and retrenchments start, employees become concerned with every aspect of the organization.

The various types of involvement with employees varied greatly, though, as several organizations established different practices in India. Information-sharing, suggestion schemes, consultation and, only in a few cases, co-determination or participation in its true sense, exists in many organizations. New terms also emerged to define or describe these variations and deviations from real participation in decision-making, such as employee involvement, employee empowerment and employee engagement.

The issues on which workers or employees are to be consulted have also varied widely. Broadly speaking, the range of issues in any enterprise on which decisions need to be taken from time to time can be classified under five major heads: safety and welfare issues; work-related issues (production on the shop floor, quality, machine maintenance); sharing of gains (wages, incentives, allowances); production-related issues (product-mix, plant production targets, technology) and; business policy (expansion, contraction, pricing). Even the most reluctant managers agree that workers should have some say in the first three categories, although there may again be doubts about the second category. The third category obviously gives workers some influence through the process of collective bargaining, wherever it exists. There is, however, much difference of opinion as far as the last two categories are concerned.

Other participative models adopted by various enterprises can be classified into three groups as follows:

- Superficial participation, comprising information-sharing and suggestion schemes;
- Intermediate participation, comprising collective bargaining in both traditional and non-traditional areas, and consultation on restricted issues; and

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- Real participation, comprising consultation on unrestricted issues and codetermination on restricted and unrestricted issues.

Of late, interest in participative systems or even participative styles appears to have been renewed with the need for change in the post-globalization scenario. Enterprises cannot be changed without involving their employees. At the same time, formal participative processes seem to have shifted to more informal ones, with an emphasis on styles rather than forums of participation. But such systems of participation also seem to be in danger of lapsing into intermediate or superficial types of participation. They would also depend greatly on the individual perceptions of managers among and within the enterprise. The issue of ownership is also relevant. Many employers and governments have been known to propose workers' stock ownership as a method of participation. This, they feel, could increase worker control over industry, since they would become shareholders of the company. But few shareholders anywhere have any control over policy decisions.

This issue has been debated in India. From time to time, the Government has proposed employee ownership of some percentage of public sector equity. At a national seminar on this and related issues, union representatives hotly contested equity plans as substitutes for participation, however. They objected on two grounds: one, that equity divestment even to workers/employees would mean dilution of the concept of the public sector and its public ownership and, two, that participation in equity is separate and distinct from the issue of workers' participation in management and not a cornerstone. Equity participation hardly contributes to managing a unit.

This width is particularly sharp across different disciplinary traditions from political science, psychology, law, management and industrial relations that have distinct perspectives on participation, voice, and other overlapping terms such as involvement, empowerment, and democracy.

Definitions of participation abound. Some authors insist that participation must be a group process, involving groups of employees and their boss; others stress delegation, the process by which the *individual* employee is given greater freedom to make decisions on his or her own. Some restrict the term 'participation' to formal institutions, such as works councils; other definitions embrace 'informal participation', the day-to-day relations between supervisors and subordinates in which subordinates are allowed substantial input into work decisions. Finally, there are those who stress participation as a *process* and those who are concerned with participation as a *result*.

Oral or verbal participation, whilst others are more formalized in the form of written information or suggestions. The third form centers on the role that employee or trade union representatives play in discussions between managers and the workforce, via mechanisms such as joint consultation, worker directors or collective bargaining. Importantly, these arrangements raise major issues to do with the distribution of power and influence within organizations, and the legislative framework of the country in which the employing organization is located. These forms

of participation also raise questions about how the financial benefits are allocated, who makes decisions about their distribution, and how the financial and economic context impact on those decisions.

3. Conclusion

In India, a number of ways and means are available for best involvement and participation of Employees in Management for better growth and prospects of a multinational organization and it has also been proven that all policies have equal importance but it may differ on the basis of individuals, group of employees, religion, location of organization, attitude of employees etc.