

Participation of Workers in the Management of Jute Industry of Nepal

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Abstract

Workers' participation in the management of jute industry of Nepal, an intensive scientific inquiry, was started by the researchers long years back to explore status and position of workers' involvement in decision making. The major objectives of the study were; i. to assess the existing and desired degree and level of workers' participation in different selected areas of decisions (i.e. economic, personnel and social decisions) in the units of the study (Biratnagar Jute Mills and Raghupati Jute Mills, each from private and public sector) at various levels as perceived by workers and management personnel, ii. to identify the degree and extent of involvement/ participation of workers in selected decision areas iii. to ascertain the management level of acceptance for workers' participation, and iv. to assess and evaluate the effective performance of work committees as to overcome the barriers of participation. The study showed a poor level of workers' participation in areas of personnel and economic decisions. However, their participatory desired level on this issue was quite high. A greater discrepancy between workers desired level of participation and management acceptance for participation indicated lack of mutual understanding among them. Similarly, works communities in both mills were not contributing at satisfactory level to both the parties as an effective mechanism of participation.

Keywords: *workers participation; degree; extent; desire and level of participation; works committee; personnel, social, and economic decisions; existing and perceived desired participation; management acceptance.*

Perspective

With increasing acceptance of industrialization there has been continued pressure from various sources to make the work organization more participative. In the contemporary industrial society, the importance of the worker's participation in management is increasing extensively on the belief that it promotes workers' interests and defends their rights, makes proper utilization of human resources, reduces alienation, gets success in using modern technologies and finally establishes a co-operation between workers and management for better achievement of workers' commitment and organizational effectiveness.

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The widespread support to the concept of workers' participation was intensified because of technological advancements. Growing scale of operations and size of industrial organizations created a wide gulf between the inherent divergent interests of the workers and management. This requires proper management of industrial relations in order to narrow down the antagonistic expectations of the workers and management and establish harmony of relations between them. One of the major devices adopted for that purpose was the creation for workers' opportunities to take part in the management and establish harmony of relations between them. One of the major devices adopted for that purpose was the creation for workers' opportunities to take part in the management decisions influencing them and reduce industrial strike.

Earlier sociologists like Saint Simon, Charles Fourier, Karl Marx, Sorale and Pollentier made profound contribution for the promotion of the concept of workers' participation in different perspectives. The establishment of ILO give further impetus to the labor-management co-operation. The tremendous contribution of the behavioral scientists with respect to the management of human resources and human relations facilitated the adoption of integrated participative approach for organizational effectiveness in this contemporary industrial society.

Workers' participation has become a major political, social and economic issues in many countries and has developed different forums to meet their felt needs. Within these realities, degree of workers' involvement in the management greatly varies from more consultation to the complete workers' control. The joint consultation model in Britain, the co-determination model in West Germany and Workers' Control model in Yugoslavia are some examples of the distinct forums of participation operating successfully in varied political settings. Collective bargaining is also another important mechanism for workers to exert influence in management through trade unions. Continuous experimentation is being done in other informal approaches like job enrichment, job enlargement, improvement of quality of work and humanization of work place to provide workers greater autonomy in the work place.

In Nepal, concept of workers' participation in management was formally introduced only after the promulgation of Nepal Factory and Factory Workers' Act, 1959. Formation of works committee with the equal representation of the workers and employers has become a statutory obligation for the industrial establishments employing 100 or more workers. It has been generally accepted that the statutory scheme of workers'

participation in management i.e. works committee was beset by weaknesses, and failed largely because of the lack of congenial environment within the industry and absence of conducive external environment.

Adequate evidence for the causes of the failure of that scheme in the organizations was not available. It requires a critical evaluation of its working effectiveness. Further, to introduce any scheme of workers' participation it becomes imperative to understand whether or not workers really want to participate in decision-making, and, if yes, then in what areas and to what extent.

As a first step towards fulfilling these needs, a research was undertaken. The main objective of the study was to make an intensive study of the workers' participation in management in jute industry of Nepal. The main focus of the study was to examine and assess the organization pattern and working effectiveness of the works committees formed in the jute industry. Attempts were made to identify actual participation and participation needs of the workers' and their representatives as well as the management representatives' acceptance for participation in different areas of management decisions.

Research Site and Sample

In order to investigate the likely impact of the works committees on the participatory needs, it was decided to conduct the study in two organizations with similar technology and size. Two organization selected for the study were; Reghupati Jute Mill (RJM) and Biratnagar Jute Mill (BJM) one each from public and private sector respectively. This provided an opportunity to make a comparative study of the working effectiveness of the work committees and comparison of the participatory desire of the respondents in private and public sector mills.

A total of 110 and 14 workers were randomly selected from RJM and BJM respectively. For the representatives of the workers and management of the committee whole population was covered which comprised of 10 and 6 representatives from each of the workers and management sides in RJM and BJM respectively.

Research Measures

Data for the study were collected both from the primary and secondary sources.

To collect primary date, separate interview schedules were used for workers', representatives and the representatives of the management. The interview schedule developed for the general workers was pre-tested as to enable that the schedule would be enough to receive required information.

In order to identify the existing degree of participation and participatory need of the workers' and their representatives as well as management representatives' degree of acceptance for participation, a total of 40 decision items were selected and classified into three groups as 'Personnel Decisions', 'Economic Decisions' and 'Social Decisions' involving ten, eighteen and twelve items respectively.

Informal interviews were also taken from managerial personnel, leaders of the political leaders, labor leaders, few industrialists and the Secretary, HMG/N, Ministry of Labor and Social Welfare to understand the major barriers for participation and acquire suggestions for its promotion.

Details about the works committees like nature of subject discussed, number of meeting held, and issues accepted and implemented during the period of 10 years were collected from the mills. Other necessary supporting evidences were gathered from the Government's publications, journals, periodicals, NLO's memorandum etc.

Data were analyzed and interpreted on the basis of percentages and weighted mean. A number of statistical tools like 't' test, chi-square test (χ^2) and Spearman Rank Correlation Coefficient (rs) were used for drawing inferences.

Results

1. The trend in the managerial representation in the works committees showed a decline in the representation of top and middle level management and an increase of the lower staff members in the works committees in both the mills. This indicates an indifferent attitude of the management authorities towards workers' participation. The study also identified that no criteria had been adopted so far by the management authorities to nominate their representatives in the works committees.
2. The statutory provision in respect of the nomination of Chairman and Secretary from amongst management often helped management to maintain upper hand in the proceedings of the meetings though the nomination of Vice-Chairman and Joint Secretary was from workers' side.
3. Comparative study of the attendance trend of the workers and management representatives showed that the former had a lower attendance in the committees' in both mills. Failure to receive timely notices, lack of interest and carelessness and little belief that the decisions of the committees would be implemented were the major causes of low attendance. The attendance trend of both the workers' representatives was higher in BJM as compared to that of RJM.

4. In BJM, the members in various committees were small but adhered strictly to equal representation of the workers and management, while in RJM committees, the number was relatively bigger with unequal representation of the workers and management except in the works committee.
5. The widespread socio-psychological distance between the managerial class and working class with deeply rooted traditional bound unilateral and authoritative system of management did not give impetus to the works committees to be more participative and co-operative in both the mills.
6. In both the mills works committees' meetings were held very infrequently and the number of issues discussed was rather small. The average issues discussed per meeting in RJM and BJM was 2 (2.30) and 2(2.42) respectively, while the number of actual meetings held were even less than 50% of what was statutory required.
7. The working of the works committee in both the mills found to be more effective both in respect of holding the meeting and coverage of comprehensive problems during the period of NLO representation.
8. In both the mills, works committees had major discussions on issues related to the social type, the share of which in the total number of issues discussed being 65.22% in RJM and 76.86% in BJM. The percentage share of the personnel issues in RJM and BJM recorded as 8.7% and 6.90% respectively, that of the economic issues was 11.59% in RJM and 8.09% in BJM. With regard to the matters related to the welfare provisions, BJM Committee covered different aspects of decisions matters in both the mills was 'Adjustment of holidays for festivals'.
9. Lack of congruence between the ideas of the representatives of the workers and management in respect of the matters to be discussed in the works' committees created conflicting attitude about the significance of the works committees. Greater confusions and controversies emerged due to lack of statutory jurisdiction of the works committees. In some cases committees dealt with the problems related to the social aspects such as safety measures and conditions of work, procedure for the payment of wages and bonus, welfare measures, and work rules and standing orders, in others they discussed the problems of economic aspects i.e. work shift and work load arrangements, production and efficiency and financial matters; and in some other instances with personnel problems like permanency of temporary and substitute workers, work disciplined, and retrenchment and layoff.

10. Works committees in both the mills faced crisis of confidence amongst workers due to uncertainty whether the decisions resolved by the committees will get recognition. This was so evident because neither the decisions were binding nor enforceable under the Act.
11. There was no sharing of general business information with members of the works committees particularly with workers' representatives.
12. The attitude of the management authorities towards the issues raised by the workers' representatives was rather unfavorable. There was greater discrepancy in the management authorities' acceptance of decisions between the issues raised by their representatives and workers' representatives in both the mills. Inter-mill comparison of the percentage of issues accepted highlighted that management representatives had relatively more positive attitude towards the issues raised by workers' representatives in BJM than at RJM. In both the mills, apathetic attitude of the management authorities over the issues related to the personnel and economic was higher than on social type of issues.
13. In most cases the decisions of the committees remained unimplemented because of the non-existence of any machinery responsible for the implementation of decisions. General workers' involvement in various activities of the works committees was not appreciable. Investigation revealed that except casting votes, workers' participation towards giving suggestions, sharing information with the fellow workers and reading the committees decisions was not appreciable.
14. The result of the study showed that there was a wide difference in the extent of existing and desired participation in different areas of decision-making. In both the mills the degree of existing participation of the workers and their representatives was very low. However, their aspirations for participation in management decisions was high.
15. Comparatively participation at higher degree was perceived and desired over the issues related to the issues of the social type and at lower degree on economic and personnel type.
16. Respondents in private sector mill perceived participation at higher degree and wanted extensive participation than at public sector mill. The differences in the degree of existing participation identified between RJM and BJM due to rigid rules, and regulations, bureaucracies, centralized power and excessive control of the concerned ministries, and department over the former mill, as compared to greater

autonomy in the management and flexible policies in the later. Lower degree of participation in public sector mill was found due to higher percentage of illiterate, unskilled, temporary workers and low job satisfaction of the workers.

17. Existing participation in areas of personnel decisions in both the mills was perceived to the level of information sharing. However, RJM workers' participation aspirations ranged up to the extent of consultation and that at BJM where it ranged up to 'associative participation'. Workers' participation in management on various issues were not realized on the ground of resolving problems rather to the negotiating of conflicts by the workers and their representatives as well as the representatives of the management.
18. In economic decisions, over the issues concerning marketing and financial policies no opportunities were given to the workers as well as their representative to exercise influence on the decisions. Workers' low desire for participation indicate that these are the prerogatives of the management. Comparatively extent of participation desired to participate over the matters related to the production and efficiency was higher in BJM than at RJM. The form of participation desired by the workers' representatives ranged from information sharing to the consultation in RJM that at BJM to the extent of administration, at higher degree in the later than at the former.
19. Workers' and their representatives' perception of existing and desired participation in social type of decision was highest in both the mills. In interviews respondents from the mills asserted their right to participate in issues related to the social decisions. In RJM participative aspiration in a large number of issues was 'consultation and association' whereas the degree of existing participation was merely information sharing for the workers and information to the consultation for their representatives. Highest degree of participation aspiration in both the mills perceived on issue adjustment of holiday for festivals. The differences in the mean figures indicated that the degree of participation desired by the workers in RJM and BJM was statistically significant.
20. The degree of management representatives' acceptance for participation was comparatively higher over all the issues related to the social decisions and lower in economic and personnel decisions. The most common-attitude of the management representatives towards workers' demand for participation was that they felt participation as encroachment over their prerogatives by the workers.
21. There was continuing apathetic attitude of the management representatives on the issues of the personnel and economic types, where the acceptance of participation

was confined to information sharing only. In social items, mean values showed that participation of the management representative degree of acceptance was to the extent of consultation in BJM whereas in RJM it was quite low and ranged from information sharing to the extent of consultation.

22. Lack of professionalism, poor education base, lack of training and the attitude that the workers are incapable of taking part in the management were the major factors leading to the averse attitude of the management towards participation in both the mills.
23. The greater discrepancy between the desired participation of the workers and their representatives as against management representatives' acceptance for participation proved that the attitude of the management representatives was autocratic. The result of the study thus indicates that the higher the acceptance of management for workers' participation the higher would be their actual participation, the higher actual participation of the workers the higher would be their satisfaction with the participation machinery.
24. The greater magnitude of participation deprivation of the workers in both the mills was ascertained in social decisions, whereas of the workers' representatives' greater deprivation was found in personnel decisions. The widespread deprivation as experienced by the respondents showed an immediate need of broad based participatory scheme, offering participation opportunity to rank and file of workers and covering a widespread of organizational activities instead of participation by a few representatives.
25. Comparative study of existing participation at different levels of management showed that RJM workers had greater extent of participation on issues related to middle-level management that of the workers in BJM perceived on issues which require co-operation at all levels. Contrary to this, workers, representatives at RJM perceived existing participation comparatively at higher degree on issues related to local level management while at BJM they participated at a higher degree on issues related to middle-level participation.
26. Workers in both the mills had higher participatory desire on issues related to the co-operation at all levels and local level participation that of the representatives in both the mills intended to take part on medium level and local level. The degree of participation as compared to BJM was lower in RJM at the different levels of management. Statistical difference revealed on issues related to co-operation at all levels both in the degree of existing and desired participation perceived by the workers in RJM and BJM.

27. Chi-square test (χ^2) identified younger workers' higher participation aspiration than that of older ones. Workers' interest in the job was the major attribute that affected their propensity to participate in different areas of the decisions. The study identified a new finding that workers with shorter service experience had a higher desire to participate than those who had longer service experience.
28. The idea of the workers' and their representatives towards various forums of participation was more positive than that of the representatives of the management in both the mills. Having workers' representation on plant and shop councils and having parity of representation in the board were the two most preferred forums of participation as expressed by the workers and their representatives in both the mills. Management representatives in both the mills preferred workers' suggestion schemes. The Spearman Rank Correlation Coefficient (rs) identified significant relationship between workers and their representatives in respect of the forums of participation preferred whereas insignificant relationship observed in respect to the management representatives' preferences in both the mills.
29. From the exhaustive interviews of the respondents following major barriers to workers' participation were identified in both the mills:
 - a. Lack of supportive climate in the organizations
 - b. Poor communication channels
 - c. Managerial practices and their functioning
 - d. Non-existence of trade unions at the factory level
 - e. Inadequate interest in promoting participative culture
 - f. Incomprehensive legislative measures
 - g. Political condition of the country
 - h. Lack of orientation and training programs for the workers and the management with a view to impart knowledge and develop adequate participative culture.

The above findings emphasize the need for integrated participative approach which can involve rank and file of workers in everyday decision-making. Further attempts on the part of the government should be made in order to introduce suitable legislative measures so that a broad based participative scheme can be introduced, and promote industrial development. A radical change in the attitude of the management is necessary for the further development and promotion of workers' participation in management.