

Course Name: Labour Welfare and Industrial Relations

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Week – 11

Lecture – 05

Hello learners, welcome back to the course on labour welfare and industrial relations. We move to the last lecture of the 11th module where we'll look into the participation of workers in management bill. It's a very important bill when we understand it in the background of the workers participation which we have been discussing over the last couple of lectures in this module.

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When we look into the Participation of Workers and Management Bill, specifically 1990, we have to understand it from the background of workers' participation that has been going on for the last couple of decades, especially till 1990. We have traced the timeline. We have looked into the evolution part. Now let's look into this bill in greater detail. When we look into the introduction of this particular bill, the Workers' Participation Management Bill 1990 specifically, it aimed to provide a legal framework for workers to participate in the management of industrial enterprises in India.

When you look into the primary objective of the bill specifically, we'll see that It was to foster a collaborative working environment, improve the industrial relations and definitely to boost the productivity through the active involvement of workers and decision making process. So over the last few lectures, we have tried to emphasize on the decision making process. process and the involvement of the worker in that so when you look into the participation of workers and management bill we also try to understand and see that the it definitely caters to boost the productivity through the active involvement of workers in this particular decision-making process so when you look into the workers

participation management bill 1990 It aimed to provide what we understand as a framework, a setup whereby there is a standardized involvement of people or workers in the decision-making process.

That is what the crux of the whole Act was. So when you look into the Act in particular, it was introduced in Parliament 1990 to provide the scope for the upliftment of workers through participation in management. The primary objective of the Bill, as I already mentioned, was a collaborative working environment. The bill proposed various schemes and methods for working participation, including suggestion schemes, let's say works committee. or even something like the JMC, Joint Management Council, which we have discussed in the previous lecture.

So this setups like work committee or say Joint Management Council, these got a clear identity with this particular bill. So when you look into the Workers Participation Management Bill specifically. Let's understand the historical background. We have traced the history of workers participation over the last entire century in the previous few lectures.

Now we look into the historical background especially with respect to this bill. The historical background of the Workers Participation Management Bill 1990 is rooted in the need for greater involvement of workers in decision making process of the industrial enterprise in India as I already mentioned. When you look into the movement of this as a bill, we can see that it was introduced in Rajya Sabha on May 30, 1990. So, this particular bill marked a significant legislative effort towards promoting worker participation in management. When you look into the essence of the bill, the bill aimed to establish a structured framework, which I mentioned in the previous slide, for workers to contribute to the management of industrial establishments.

fostering a sense of ownership. Now, this was vital. This was something which the bill wanted to propagate a sense of ownership and empowerment among the workforce. So, it proposed, you know, various mechanisms such as, say, what we have seen in the previous slides like works committee or suggestion schemes or even JMCs to facilitate the worker participation. So,

That said, let us acknowledge the fact, despite its noble intentions, the Workers' Participation in Management Bill 1990 was not passed into law. However, if you see into the spirit of the things, the discussions specifically and proposals within the particular bill reflected that a growing recognition of the importance of incorporating workers perspectives and interest in the management of industrial organizations, specifically aiming to enhance productivity, aiming to enhance the industrial relations and definitely overall workplace harmony in India. Now, let's understand the key aspects of the bill specifically when you are looking into the bill we have seen that it has provided or it has attempted to provide a legal framework it has also uh you know tried to propose various schemes like uh wc or jmcs etc one most important criteria which i would like to underscore here is it define the term worker to include all types of employees

managerial as well as non-managerial so this is very particular vis-a-vis the will specifically and it provided for setting up shop floor councils and establishment councils with equal representation from workers So specifically, if you look into the entire bill, we'll see that if you trace back to the history, I would like to bring you back to the historical aspect. India's earliest labor movement, you know, when you look into the earliest labor movement and specifically our discussions in the previous modules due to the Industrial Revolution and the growth of industrial firms. Specifically, if you recollect, we have already categorically established that the labor movement in India was a bit late. bit late and it began in late 19th and early 20th century specifically so in an effort to you know industrialize and modernize its economy India attempted to obtain even as a consequence the independence in 1947 which actually fueled the establishment of trade unions and specifically the labor rights initiatives etc so if you look into the entire law making structure by that time we understand that the industrial disputes act of 1947 was

Or let's say the Trade Unions Act of 1926 are aware of the two key legislations that the Indian government adopted to to specifically control labor relations. Now, the basis for handling worker rights, worker conflicts and even to a certain extent, collective bargaining was categorically established by these statutes. Now, what was happening in the global scenario? If you look into the global scenario following the World War II, there was a global movement toward employee participation management decisions, especially

inspired by the Japanese quality circles. And even if you have read about the German co-determination models, etc.

So in order to enhance the labor relations and productivity, the ILO, International Labor Organization, specifically promoted worker participation in management. So we trace back to the 70s and 80s, specific to the Indian context, we see that India experienced an increase in the industrial unrest in the 70s and 80s. So with recurrent labor disputes were there, labor strikes were there, underscoring the need for improved coordination and communication between management and specifically the employees. So to lower all these conflicts, all this unrest, all these conflicts and strikes, etc.

And certainly to boost efficiency, the government and legislators actually started looking at institutionalizing the worker engagement in management. So this is specifically the historical background with which we have to see the existence of this particular bill or the initiation of this particular bill. We have seen that this bill has been phenomenal in bringing out or eliciting certain discussions which were not available during that point in time. Especially, it tried to ensure or provide a legal framework whereby if there are some issues pertaining to the worker participation, there are no actual worker participation happening or as we mentioned in our previous lectures. It is just a matter of tokenism or just showcasing that, you know, worker participation is there and it is only to show that a few people are doing it.

But it is not with full sincerity. Then this bill was to provide a legal framework for such actions. Now, when you also look into the nitty gritty of this bill in greater detail, you'll see that. There were various schemes and methods like we have already seen the Joint Management Council or the Works Committee, which actually brings in a platform whereby you can have both the worker, the employer, workers, representatives, employer representatives. Even the important stakeholders like, let's say, the government of the day, the trade unions, etc.

So all these people would sit together across the table and there will be a constant, consistent deliberation which can actually yield a better output. So this is what is critically important when we look into the entire scheme of things, especially when we

look into the various schemes and methods it facilitated. It facilitated a platform whereby people can amicably solve issues rather than going for conflicts or prevent conflicts and strifes at a much earlier stage. rather than, you know, propagating it to a mass, you know, issue altogether and making it go beyond the control. This was one of the vital point, especially when it comes to the bill specifically.

Now, when you look into the entire, the worker scenario, now, till now, even if during my lectures also, some of the other way, I try to use these words simultaneously, be it worker, be it employee, etc., but with this bill there was some clarity with respect to who is a worker now when you look into worker it included all types of employees it included managerial as well as non-manager now this was fundamental this was actually phenomenal in bringing out that even managerial workers were supposed to be you know handle in a similar way or they also have their own rights many a time giving a sort of adjective adding manager or managerial worker would actually disqualify them Towards or with respect to the rights of a particular worker so this was a correction mechanism specifically when it comes to the key aspects of bill we understand this in greater detail and finally if you look into the key aspects of the bill it provided for setting up of shop floor councils and establishments which otherwise. Till date was not absent.

It was there in the Western world. Again, I have tried to develop in the historical perspective or historical evolution of the labor relations as such in India. We have seen that we were quite delayed, especially with respect to the advent of the trade unions, etc. It came much later, especially India. Our problem was we did not have the autonomy.

We did not have the independence. So we could not, you know, look into the welfare of the people as such as we are looking into in today's world. So these were some of the key aspects of the particular bill. And if you look into other aspects, determining the mode of representation of work representative, we see that. Through consultation, the concerned issues or concerned unions were taken into consideration and taken into discussion.

And this actually facilitated more of a deliberation. When you look into other aspects, assigning specific functions, you know, the councils relating to personnel, welfare or even environment or plan operations were given specific in charge. Now, providing for

secret ballot. Now, this was what was almost the initial steps of industrial democracy that we have already discussed in the previous lectures for electing representatives for participation. Now, it was not just, you know, if you are good or if you are in the good book of the management, you definitely come into the decision making body.

No. It was not like that. Instead, there was more of critical understanding of the problems. He or she who had more of these critical understanding of the problems, they were voted in. They were forming a representation of the downtrodden worker at the decision making table.

Now, this was vital because, as I mentioned, this gave or this saw the seeds of industrial democracy. when it came to the labor movements in India. It empowered the appropriate government because you see that the more the decision-making is delegated, the more the decision-making is there with the bottom of the pyramid, we'll see that the government is also happy because there might be good decisions that will come up. There might be inclusive decisions that might be coming up. So this was always music to the ears of the government of the day.

And finally, having provisions for punishment. Please note, This was not just an eyewash. For those who contravened any provisions of this particular act, there were specific provisions mentioning the punishment towards such contravening or such contradictions, etc. Now let's look into the functions and the process of this particular act.

I will mention this particular bill. Let's look into them in greater detail. The first one was consultative role. and even welfare measures, etc. So what we understand here is that, let's say, the consultative role actually included deliberations on these aspects, like working conditions or the productivity, welfare measures.

And this actually made improve or improve the decision making process and gave a better result to a certain extent. When you look into the advisory role, We see that these bodies would actually advise management on policy decisions affecting workers and the enterprises. So basically you have clear representation in the policy making and that was vital and that was something which was absent till that point in time. When you look into

the decision making role specifically, we'll see that in certain specified areas, the worker representatives for that matter.

would have a decision-making role and ensure their interests are adequately represented in all the forums. So this was also a part and parcel of the particular bill. When you look into the training and development function power, the bill specifically emphasized on the need for the and the training and development programs to equip the workers the worker representatives with necessary skills and knowledge to actually participate effectively in management and and last but not the least the most important aspect was the dispute resolution when you look into the the bill the bill outlines mechanisms for resolving disputes arising from the implementation of of worker participation to be specific aiming to maintain the industrial harmony.

Now, let's look into the importance of the criticality of the particular bill and the impact. And these points actually will underscore the importance and the impact. When you look into the bill specifically, it marked a significant legislative effort towards promoting Worker participation and worker participation in management reflecting a growing recognition of the need to actually incorporate workers perspectives, workers interest, etc. So you see that there has been enhanced cooperation as a result.

The bill proposed various schemes, let's say like suggestion schemes or let's say works committee or JMC, Joint Management Council for that matter, to facilitate worker participation at different levels of decision making within the organization. And finally, as we have seen, if we specifically try to learn what are the importances, we definitely have to understand that it defined the term worker. It defined the term worker to include all types of employees, be it managerial as well as non-managerial, providing the scope for upliftment of workers through participation. So what we understand is that there was enhanced cooperation. It was anticipated that the worker engagement decision making would result in more amicable labor relations, which actually will lower the frequency of lockouts and strikes.

Therefore, Better industrial relations. We had the critical importance with respect to the enhanced productivity. It was expected that the employees' dedication to company objectives would grow. Specifically, they had a voice in management choice.

See, many a time what happens, the workers do not have the psychological safety. They do not have the environment to raise their opinion. They might know that they are right. But if they are raising their voice, if they are aligning themselves to a particular trade union for that matter, or if they are not bringing out the, let's say they are not taking the stand what the management wants, then they might be targeted. There might be hidden agendas against them, which could actually be detrimental for them.

So when you look into something like this particular bill, it enhances productivity because it facilitates a platform whereby they can raise a voice. And when you look into the worker empowerment by granting employees a very strong sense of accountability and control over their workplace, the law was the step in the right direction. Now, when you look into the impact specifically, we have to understand that the discussions and proposals within the bill continue to be the evolution of joint committees for worker participation. Some organizations, let's say like Tata Iron or let's say steel companies or Indian Aluminium Works or Hindustan Liver for that matter, independent of the statutory requirements. Despite being introduced in Parliament in 1990, the bill was never passed into law, which was unfortunate.

However, it has influenced or it influenced the existing legal framework for worker participation in India, which includes provisions under the IDA Industrial Disputes Act 1947 and even the Factories Act 1948. So basically, the bill highlighted the need for mutual trust, the need for mutual faith and closely formulated objectives among employers, workers and trade unions to make worker participation management effective. So these were some of the criticality or importance and impact when we understand what the bill was all about. Now, when we look into the challenges specifically, we'll see that, you know, there are a couple of challenges.

It was not very easy to be passed in the parliament because there were some critical challenges. It ranged from employer resistance to the case of multiplicity of unions, lack

of proper knowledge, etc. So let's look into that in greater detail now. When you look into the employer resistance for that matter, the first and the foremost important challenge was this, the employer resistance. Now, employers often resist worker participation decision making.

Yes, for obvious reasons. We know that we have already established that. And common sense tells us that to citing concerns about the workers competition, citing concerns about workers competence could be one factor to make managerial decisions. There may be also sometimes resistance from both management and workers to the changes proposed by the bill necessitating efforts to build consensus and support. There were also, you know, challenges vis-a-vis dual roles of workers representative or the worker representatives.

Worker representatives actually participating management had to perform dual roles. Let's say at one side they are workers spokesmen. and co-managers now few representatives are competent enough to assume these were actually incompetent roles now at one point they are acting as workers spokesmen and at the same point on a different dimension they are acting as the co-managers so this was something which is contradictory in itself that was one of the most critical challenge how will the people actually deal with Such Janus faced people, such people with dual roles, which they might not be intentionally or unintentionally knowing. There might be certain political interest as as other challenges.

Let's say specifically when you look into the trade union leaders. who often represent workers, may prioritize political interests over workers' causes while participating in management. Many a time we have seen in India also, political affiliation of trade unions had actually hampered the growth of the worker interest specifically. Many a time it was seen as, you know, the political masters dictating the show. So political interest also had its own impact on particular, the law specifically changing it to a challenge.

When you look into the trust part, lack of mutual trust, remember our discussions where we tried to, you know, establish the lack of mutual trust, especially if you remember, we had mentioned that there is a distrust coming your way from person A. You will show the

same thing You will reciprocate in similar manner, there will be a distrust coefficient, there will be in fact a distrust loop as people will get on more and more in that particular vicious cycle. So that was another reason, lack of mutual trust, the absence of mutual trust, mutual faith and closely formulated objectives specifically among employers. Among workers and trade unions can actually hinder the effectiveness of the worker participation management. When you look into the union specifically, you had multiplicity of unions.

The presence of multiple unions can actually lead to inter-union rivalry, making it challenging to implement the worker participation schemes. It does not end there. When you actually look into the challenges, you see that The lack of proper knowledge also was one of the critical challenge. Workers actually may lack proper knowledge about the scheme, which can serve as a stumbling block in its successful working.

When you look into the bill specifically, the bill had its own challenges. The bill itself had constraints such as the need for a secret ballot, which we have discussed. Though it was, you know, introduction of the industrial democracy or the initiation of the industrial democracy for determining worker representation, it could be a very big challenge to implement. These challenges actually highlight the complexities involved in implementing worker participation management and the need for a collaborative approach among all stakeholders to make such initiatives successful and important. When you look into the rights and responsibilities specifically with respect to this bill, we see that there are certain critical rights of workers, right to participation.

Workers had the right to participate in decision making process within the The organization contributing the perspectives and idea. So this right to participation was something which is vital when we undertake the discussion itself in the entire worker participation bill. Representation was yet another important factor because not only the right to participation, the bill likely granted workers the right to be represented in various management councils, various committees. Ensuring their voices were heard at all levels of decision making.

This was also vital when it comes to the right of the workers. When it comes to the responsibility of workers, yes, competence was one of the critical aspects. Workers were expected to demonstrate competence in their roles as representatives in management, balancing their responsibilities as workers and co-managers. Please understand, in the previous slide, we had discussed about this dilemma where there were workers and there were co-managers.

At time, there were people who were acting as a spokesman of workers and who were also co-managers. So this dilemma actually had a big or taken a big toll in the success of the entire bill. So if during the deliberations also, it was understood that, you know, you have the same people who are actually the workers spokesman and who are unfortunately the same co-managers. So, again, the competence was also under question. When it came to commitment, the commitment to objective was questioned, mainly because workers were likely required to commit to the objectives of the industry, recognizing and respecting the rights of both employers and fellow workers.

So when you look into the right of workers, you have the right to participation, you have representation. When we look into the responsibility of workers, we have specifically the competence and the commitment to objectives as significant variables in this case. When you look into the rights of management, definitely the first and the foremost one would be the progressive outlook. Management had the right to adopt a progressive outlook, considering the industry as a critical joint endeavor where workers had an equal say. They were not having any lesser contribution or they were not lesser than the employers.

managers or the workers were equal but that was the right of management management had this progressive outlook yes if they are bringing in more people in the decision making process it could be a joint endeavor where workers had an equal say and it reflected well when it came to the image of the company decision making was yet another important right of management management likely retained the right to make final decisions but was encouraged to consult and communicate effectively with workers on matters that impacted them. Please note, there is an inherent dilemma there. When the management is likely to retain... The right to make the final decision.

This sometimes, whatever be the encouragement, the consultation might not happen. Proper communication might not happen. So this was again oxymoron to a great extent. When you look into the responsibilities of management, enlightenment was one of the biggest responsibility if you ask me. Management was responsible for enlightening workers about the benefits of their participation in specific management, fostering a culture of collaboration, a culture of mutual respect.

Also, if you look into the education and training part as a responsibility of management, you'll see that the management had the responsibility. to provide education, provide training to workers and the representatives, and to actually give work on the philosophy and process of participative management. So please note, ladies and gentlemen, this is what the philosophy or the underlying philosophy of the entire bill was, ensuring they understood the benefit of such an approach. While the Workers' Participation Management Bill 1990 did not become law, The outlined rights and responsibilities aim to create a framework for harmonious and productive worker management relationships within industrial enterprises in India.

If you see this particular bill. What we clearly understand is that there were certain deliberations that actually looked into the lack of actual availability of participation of the labor workforce. We had a clear understanding of who the worker was. This was one of the significant aspects of this particular bill. There was clear mention of who the worker was.

It was not only the labor force. It was not only the employee in its true term, but also even the managerial worker was also part of the entire label worker. Beyond that, if you see this particular act, there were critical illustrations on what was the right of the employee and what was the right of the management. What was the responsibility of the employee? What was the responsibility of management?

Please note. For the employee, it was the worker participation that emancipated him, that empowered him or her to actually come into the decision-making process and to lead or dictate or at least suggest his or her opinion. There was a certain level of psychological safety which this bill actually brought into the environment of the organization. But when

it comes to the management, yes, they had the right of, you know, final decision making. And this was, as I mentioned, this was the internal dilemma that the management faced.

Though they had the right to actually make the final decision, there was a consultation that was initiated. There was a consultation that was actually written in the particular bill, the consultation with the labor force, consultation with the worker. So this would actually bring them more and more of informed decisions. And moreover, it actually increased the positive outlook of the company. That said, there were critical issues when you look into the trust factor, which I've already tried to establish across the different modules.

We see that the moment there is a trust deficit between the worker and the employer. There is this being reciprocated in a similar way. So this actually creates a distrust loop. And when in your organization, if there is a distrust loop, please note the organization is not going to succeed. Whatever be the labor management equations.

That's all from today's class. See you with a next module in next class. Till then, take care. Bye bye. Amen.