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The Role of Tata Worker's Union in Implementation of Participative Management

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Abstract – Participative leadership and management style invites input from employees on all or most company decisions. The staff is given pertinent information regarding company issues, and a majority vote determines the course of action the company will take. Participative leadership encourages collaboration.[1] Employees in some organisations can feel stifled or unheard if their attempts to contribute - based on their opinions or experience - are ignored. In participative leadership, there is a forum for these ideas to be heard. Workers union play a critical role in the success or failure of the participative management policies adopted by a company. A trade union of workers is an organization formed by workers to protect their interests, improve their working conditions, increase their productivity and solidarity etc. All trade unions have objectives or goals to achieve as stated in their constitution and each one of them employ their own strategies to achieve those objectives. These unions can be considered sub-groups that are a part of an organization and exist to specifically look after the interests of workers and contribute towards the growth of the community of which it is a part.[2]

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INTRODUCTION

There are trade unions of blue-collar as well as white collar employees. The relationship between worker's unions and TISCO management has been mutually reinforcing over the years. While company leadership has been successful in keeping the workers and their unions happy, they in turn have benefited from a stable and responsible worker's union that has spawned a stable and reliable working environment. TISCO presents a classic case of participative management where workers and company leadership have come together to create a synergistic working environment that has resulted in stable and exceptional growth for the company.

THE IDEA OF PARTICIPATIVE MANAGEMENT:

Participative Management is a management style that requires the cooperation of personnel. It aims to build commitment and develop initiatives within work teams.[3] To do this, the manager must delegate parts of his power and it's necessary that the teams decide together what solutions to adopt. Participative Management inspires employees to participate in corporate decision-process. While setting rules and limits, the employee must be able to show his/her involvement and motivation when making decisions. For example, it may be motivating for employees to choose themselves which tasks they prefer to focus on and coordinate their work with each other. Participative or participatory management encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development

of strategies, and implementation of solutions.[4] The greatest benefit of participative management is that the employee identifies himself or herself with the work and this leads to an improved performance. Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self- esteem, job satisfaction and cooperation with the management will also improve.[5] Participative Management is used as an alternative to traditional vertical management structures, which has shown to be less effective as participants are growing less interested in their leader's expectations due to a lack of recognition of the participant's effort or opinion.

HISTORY OF WORKER'S UNIONS IN TISCO:

Growth of the trade union is a response to the challenge thrown by the modern industry.[6] Viewed in this background, the origin of trade union movement in Tata Steel were due to the same reason as elsewhere in Europe and America. Since 1907 dissatisfaction was increasing in the working class in Tata Steel. However, it was only in 1920 that labour organization was born after great struggle with the management.[7] The genesis of trade union Tata Steel can be traced back to 1920. Over the years the workers' union has evolved under the capable leadership of stalwarts such as Mahatma Gandhi, Rajendra Prasad and Subhas Chandra Bose to name a few.

In TISCO the history of a workers union can be traced as far back as 1920 with the formation of the

All India Trade Union Congress (AITUC). There are three other workers unions that are functional in the company namely Tata Worker's Union (TWU), Jamshedpur Mazdoor Union (JMU), TISCO Karamchhari Union (TKU) and Ispat Mazdoor Panchayat (IMP). February of 1920 was the time when the TISCO plant witnessed its first worker's protest. Work in the plant was stalled without prior deliberations.[8] Since its inception in 1911 it was the first formal worker's strike in the factory. The spontaneous protest was the result of a growing discontent with the foreign management and its managerial practices. Their dealings with Indian workers were perceived to be discriminatory and unfair. The workers however lacked a formal union and were inexperienced in taking a strike forward and sustaining it. Therefore, they decided to seek guidance from the political leaders who were apart of the national struggle for independence from the British rule. Suren Haldar, Padmaraj Jain and Nirmal Chatterjee- all involved in the national freedom movement in Calcutta, went to Jamshedpur to organize and advise the workers struggle in TISCO.[9] It should be remembered that the origin and growth of trade union movements in India was deeply rooted in the wider political movements of the time. The nationalists actively sought to organize the formation of worker's associations and labor unions at the national as well as local levels. Thus, for the first time a labour union called the Jamshedpur Labour Association came to life in Jamshedpur under the leadership of Suren Haldar. However, mere formation of a union did not bring any change in the working and living conditions of the workers. Two years after the association was formed, a serious division within the leadership weakened its foundations. At a mass meeting on September 20, 1922, a decision was taken in the favor of a strike.[10] However, the negotiations between the company management and the representative of the association did not yield any satisfactory results. At this stage the association sought the help of the president of AITUC who went to Jamshedpur to negotiate with the company management. AITUC president and TISCO management reached an agreement to form a committee consisting of ten representatives from the company management and an equal number of representatives from the workers to deliberate upon relevant issues. In the meantime the Labour Association of Jamshedpur also got in touch with C. R. Das who advised them to form a coordination committee of the company's Board of Management and worker's representatives to discuss and settle any disputes between the company and its workers.[11] It was also demanded that Indians should be offered supervisory and managerial positions in the company. Thus the labour movement of TISCO began to align itself to the wider nationalist political struggle for the country's independence. Unfortunately with the sudden demise of C.R. Das in 1925 dealt a serious blow both to the worker's as well as the national struggle.

The vacuum left by Das was soon to be filled with the arrival of Mahatma Gandhi and C. F. Andrews in Jamshedpur in the same year.[12] As a result of their involvement the association regained its lost leverage with the company's management and C. F. Andrews was elected as the president of the worker's association. Subsequently Subhash Chandra Bose was elected as the president of the association. In the meantime, Manek Homi, an advocate and an ex-employee of TISCO founded another trade union called the Jamshedpur Labour Federation.

Over the last sixty five years, labour associations in TISCO have come a long way. It has moved from a more aggressive and nationalist movement to a more organized and matured collective struggling for worker's rights. Militant confrontation gave way to peaceful negotiations and settlement based on cooperation and mutual understanding with the management. The Participative Management Strategies adopted at TISCO have contributed a great deal in this transformation. It has benefitted the workers as much as it has favored the company. In fact TISCO was one of the first companies to introduce worker's participation in the company's management in 1955. Workers through their coordination committee were free to decide ways for their job enrichment, value enhancement and skill development. Their participation went as far as in the grievance Redressal systems in the company.

PARTICIPATIVE MANAGEMENT SYSTEM AT TISCO:

The structure of participative management at TISCO consists of 47 Joint Departmental Councils (JDCs) at grass-root level, one Joint Works Council (JWC) at middle level and one Joint Consultative Council of Management (JCCM) at apex level.[13] The tenure of each council is two years. It is clear from the above that workers' participation in management is not extended to the level of Board of Directors - policy making body of the organisation. As such participative management bodies at apex level in both the organisations can only offer recommendations to Board of Directors but not make decisions. Hence, it is suggested that the managements of both the organisations should convert the schemes of participative management at apex level in the present scheme as participation at Board of Directors level. Each council in TISCO constitutes a small agenda sub-committee with an equal number of representatives of management and the employees. The representatives of this committee are elected from among the members of the councils. The main function of the sub-committee is to prepare the agenda of council meetings. It does not rely on its own resources exclusively, and contacts employees in the different sections of the department for this purpose.

The objectives of council at various levels in TISCO are to associate, in an increasing measure, workers/

employees with management in the working of the industry with a view to:

- Promote increased productivity for the general benefit of the enterprise, the employee and the country,
- Give employees a better understanding of their role and importance in the working of the industry and in the process of production; and
- Satisfying the urge for self-expression.[14]

In TISCO, every shop also has a shop council, which is a body consisting of representatives from the floor workers and the management. One of the management representatives is the chairman of the shop council. The jurisdictions of these councils is limited to matters related to work process environment and other matters directly related to a worker's job. Any disputes are resolved through mutual agreement. In the last thirty years more than 400 matters have been decided by the shop councils and the decisions have been acceptable both to the workers as well as the management.[15]

CONCLUSION:

The TWU has been a partner in a well-functioning participative management system that has resulted in a widely acclaimed and successful industrial relations system in general. The case of TISCO and its workers union underscores the benefits of a bipartite system that uses participative management techniques to include workers in the decisions that affect their living and working conditions. It not only increases worker's confidence in the company and its management, it creates an unparalleled bond between the company and its workers who see themselves getting enriched more than mere financially if they continue to work for the company. Participative leadership can sometimes be a slower form of decision-making, but as TISCO and TUW have shown, it has several advantages.

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