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Participation and Joint Consultation

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Abstract:

Participation takes place when management and employees are jointly involved in making decisions on matters of mutual interest where the aim is to produce solutions to the problems which will benefit all concerned. Participation does not mean that the parties subordinate their own interests entirely, but that they aim at achieving objectives which are not in fundamental conflict with those of the other party and which can therefore be integrated to some degree. It is akin to integrate bargaining in which the parties find common or complementary interests and solve problems confronting both of them.

Key words: *decisions, mutual interest, benefit, achieving objectives, bargaining, solve problems*

1. Introduction

Participation is more than joint consultation, which is the process by which management seeks the views, feelings and ideas of employees through their representatives, prior to negotiating or making a decision. Although joint consultation may involve the discussion of mutual problems and is a necessary aspect of participation, it leaves to the management the ultimate responsibility for making decisions. Armstrong (1992) says that participation is also more than communication which is the process of keeping people informed about intentions, opinions, results or decisions on matters that interest them, although effective two-way communications are necessary for successful participation and joint consultation.

Participation is intended to help people to feel good through providing them with the means of identifying their own interests with those of the enterprise in which they work in order that both can flourish. Participation provides employees with the opportunity to contribute the success of the organisation by involving them in decision-making through joint consultation, productivity, suggestion schemes and quality circles (Jaques, 1984).

2. Background to the Study

Beach (1980) says that industrial democracy is an alternative way of describing more or less traditional forms of joint consultation. To others, it comprises the joint regulation or control by unions and management of decisions and actions which affect the present and future conduct of the business. This implies trade union participation in decision-making at all levels in the enterprise, including the highest level, the board. This view as held by trade unionists, rejects conventional joint consultative arrangements or paternalistically based profit-sharing schemes as a charade of participation which gives workers none of the substance of control that has been firmly based with the leading shareholders. Brown (1988) states that the demand for two-tiered board structures and for union representation on the board, arises from this later view point.

The debate on industrial democracy has often been concerned with means rather than with ends. It is the form and extent of participation that has caused most arguments, not the objective. There has been a fair measure of agreement on both sides of the industry with the following definition of the two basic purposes of industrial democracy prepared by the Industrial Participation Association (UK) (1984) in its evidence to the Committee of Inquiry on Industrial Democracy:

- That it is both reasonable and just that the employees of a company should have the means to influence the major decisions that may determine the conditions of their own working lives and thereby the lives of their families – decisions that are commonly taken at a level where at present it is not usual for employees to be directly involved or represented.
- That's an essential purpose of industrial democracy must be to improve the efficiency and productivity of the enterprise, by enabling employees at all levels to make a more effective contribution – increased productivity being the context in which employee's interest, as well as the interests of other parties can best be advanced.

3. Forms of Participation

Participation can vary according to the level at which it takes place, the degree to which decision – making is shared and the mechanisms of a greater or lesser degree of formality which are used.

4. Levels of Participation

Participation takes various forms at different levels in an enterprise. These levels are classified by the industrial society as:

- job level;
- management level;
- policy-making level; and
- Ownership level.

Participation at the job level, involves the supervisor and his immediate group, and the processes include the communication of information about the work, the delegation of authority and the interchange of ideas about how the work should be done. These processes are essentially informal. Participation at management level can involve sharing information and decision-making about issues which affect the way in which work is planned, coordinated and controlled, and the conditions under which the work is carried out. Thompson (1983) says that there are limitations. Management as a whole, and individual managers, must retain authority to do what their function requires. Participation does not imply anarchy, but that it requires some degree of willingness on the part of management to share its decision-making powers. At this level, participation becomes more formalized through consultative committees, briefing groups or other joint bodies involving management and trade unionists.

At policy-making level, where the direction in which the business is going is determined, total participation implies sharing the power to make the key decisions on investments, new ventures, expansions and retractions which affect the future well-being of both the company and its employees. Ultimately, it means that such decisions are made fairly by directors who represent the interests of the owners, (the management and the workers). The proposal to have a supervisory board upon which worker representatives have the power to veto major investment decisions, mergers or takeovers and closures or major redeployment is not full participation, but it is in accordance with the reality of the divided loyalties that worker-representatives would have if they had to share the responsibility for unpopular decisions by becoming full board members in the accepted sense.

At the ownership level, participation may imply a share in the equity which is not meaningful unless the workers have sufficient control through voting rights to determine the composition of the board. Workers Committee is also participative in the sense that workers, including managers and supervisors are the management and must therefore be involved in joint decision-making at board level.

5. Research Methodology

Methodology is defined in two major ways. In one form, methodology is identical to a research model employed by a researcher in a particular project, including basic knowledge related to the subject and research methods and the framework employed in a particular context. In this sense, every investigation has a distinct approach and every researcher employs his/her approach which might vary from study to study. Another definition relates to the nature of approach to a theoretical and more abstract context and perceives it in conjunction with distinctive undimensional and exclusive theoretical principles (Westhuizen and Abrahams, 2002)

6. Qualitative Approach

This study under review is a qualitative or case study one. Denzin and Lincoln (1994) define qualitative research as a multi-method in focus, involving an interpretive and naturalistic approach to its subject matter. This means that the qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.

The sources of data employed were secondary sources, namely relevant academic journals and textbooks. The data which were collected were content analysed.

7. The Case for Employee Participation

Three interdependent categories of arguments used to support employee participation have been identified and these are:

- Increased employee satisfaction and improved productivity;
- Improved rationality and legitimacy, leading to greater effectiveness of management decision-making; and
- Employee participation is necessary for genuine industrial democracy which recognizes that workers ought to have the right to participate in decisions on things that affect them.

Davis and Lansbury (1978) open up their account of consultation and employee participation referring to the link between satisfaction and improved performance. They also introduce the concept of consultation as a form of employee participation. The note, however, that 'Great claims have been made but are often surrounded with imprecision'.

Four specific purposes of the process of joint consultation have been identified and these are:

- A means of management to improve efficiency within the organisation;
- The creation of industrial harmony between management and employees;
- A means towards industrial democracy within the organisation;
- The provision of a forum for grievance resolution.

8. Consultation as a Form of Employee Participation

McDonald & Wiesner (1999) define consultation as an aspect that encompasses a deliberative attempt by management to incorporate employees to a greater or lesser degree into decision-making. It constitutes a set of processes by which management involves employees in decision-making at various levels of the organisation, and may take forms.

Consultation is an entirely different form of management-employee interacting from negotiation. Bargaining and consultation are complementary processes which an inclusive manager may apply in employee participation. In other cases, consultative committees can be utilized as the mechanism to avoid collective arrangements.

9. Joint Consultative Committees

Joint consultative committees (JCCs) are one means by which management and workers (and their representatives) can engage in joint regulation of work practices, work conditions and other matters in the workplace. The potential of JCCs for employee participation is broadly dependent upon how they are utilized by management. JCCs can do any or some of the following:

- Encourage and complement the process of collective bargaining;
- Substitute for collective bargaining;
- Complement other control processes exercised by management;
- Facilitate change processes;
- Provide employees with input into decision-making;
- Facilitate productivity and efficiency;
- Provide a key distribution point for information from management to employees;
- Constitute a sounding board for employee reaction to management initiatives;
- Provide a forum for consultation with employees and/or their representatives; and
- Undermine the role of trade union in the workplace;
- Indirect participation of the workforce through representatives who may or may not be shop stewards;
- They are assumed to be ongoing rather than established to deal with a specific issue;
- They are not necessarily decision-making bodies; and
- They involve a two-way flow of information rather than top-down.

JCCs are recognized by many as playing a pivoted role both in the management of change in organisations and in the management of employees as expressed below:

- The identification and resolution of potential problems, avoiding delay and disruption during implementation;
- The commitment of employees to the change and their more likely involvement in solving problems that arise;
- The identification and putting in place of the supports necessary for successful implementation, such as training, new administrative procedures, supervisory arrangements, etc.
- Improved management-employee relations (90 percent of workplace managers) ;
- Easier introduction of change (81 percent);
- Improvements in productivity (70 percent)
- Improvements in product or service quality (63 percent); and
- Decrease in labour turnover (19 percent).

The most important objective of JCCs, according to workplace managers is increased communication (66 percent), increased workplace efficiency (32 percent), increased job satisfaction (28 percent), assistance in implementing change (28 percent), improvements in the quality of service or product (27 percent), reduced levels of disputation (27 percent), reduced levels of disputation (27 percent) and increased productivity (22 percent).

The involvement of employees in decision-making through consultative mechanisms such as JCCs can be seen as occurring on a continuum from low levels of employee involvement where consultation does not exist (management decisions are unilateral and/or employees are merely told about management's action) to high levels of involvement where a JCC exists to facilitate joint decision-making processes.

10. Conclusion

When managers establish a means on either an informal or a formal basis, for obtaining help from subordinates in the making of plans and decisions, they are tapping the knowledge and creativity of others. Because managers cannot possibly know all the answers to all problems and issues connected with the work of their departments, they can often obtain valuable advice and assistance from their subordinates. The process of participation brings into play the higher drives and motives of man: the drives for self-expression, accomplishment, autonomy and self-assertion. It lets employees know that their contributions are sought and appreciated.

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