



EMPLOYEE PARTICIPATION IN MANAGEMENT- A CASE STUDY OF RINL VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM

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ABSTRACT

Employee participation is the process whereby employees are involved in decision making processes, rather than simply acting on orders. Employee participation is part of a process of empowerment in the workplace. Employee participation in the process of management at Visakhapatnam Steel Plant is beneficial to both the employees and the organisation as well. Due to the employees participation the respondents gained the benefits like improved safety measures, good facilities, management cooperation and recognition. This creates a win-win situation in the organisation. This study aims to focus on employee participation in management. The chi square test results revealed that the opinion on regular safety meetings, participation in safety meetings, periodicity of safety meetings, active participation in decision making process, suggestions consideration, benefits derived from the participation in the management, the opinion of all the respondents is more or less similar with respect of above variables. The hypothesis is accepted and the variables are independent to each other. But the respondents opinion on few suggestions are not considered is found to be significant and the hypothesis is rejected and the variables are dependent to each other.

Keywords: Employee Participation, Safety Measures, Management, Benefits, safety Meetings, Suggestions, Empowerment

PRELUDE

Employee Participation

Employee participation involves management actively encouraging staff to assist in running and improving business processes and operations. Also known as employee involvement, employee participation includes management recognizing individual employees' opinions and input, so that employees understand that management views them as unique and individually valuable for running the business.

Encouraging Participation

Employee participation may be solicited in a variety of ways. For example, ask employees to drop suggestions regarding solutions to obstacles in a suggestion box. Suggestions should be reviewed and addressed at monthly meetings. Management should provide a reward to the employees whose suggestions are implemented. Employees should also be encouraged to speak freely about problems and provide ideas about how to solve them at meetings or when placed on problem solving teams.

REVIEW OF LITERATURE

Organizations tend to indulge themselves into some sort of decision making in its daily routine of operations. It's always better to have opinions of those who will actually perform the tasks as they are working on ground level. Therefore, organizations promotes employee or worker's participation in it's culture as it facilitates improvement in their productivity and also helps organizations to achieve their ultimate goals. According to *Keith Davis(1989)*, "participation refers to the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share the responsibility of achievement"¹. *International Institute of Labor Studies* has defined worker's participation as "the participation resulting from the practices which increases the scope for employees' share of influence in decision making at different tiers of Organizational hierarchy with concomitant(related) assumptions of responsibility"².

The concept of **Employee Voice** is worth noting here as it is similar to the above discussion. It refers to the participation of employees specifically for influencing organizational decision making."Employees are given a voice through formal and informal means to minimize conflict, improve communication and encourage staff retention through motivation and fair treatment"³.

Individual's productivity is directly related to his job related attitude which is ascertained from his degree of involvement. Worker's participation is being practiced since ages because of its benefit to the organization in numerous ways such as, increase in the level of morale of the employees, increased association with the organization, increased loyalty, etc. "In India, at National Thermal Power Corporation (NTPC), Ramagundam, Andhra Pradesh, Worker's Participation in Management is effectively functioning"⁴. As per the case study on NTPC by **Kumar and Taunk (2013)**, it is found that "here the management with the help of workers ensures that they are capable of taking fruitful decisions regarding policy making, service conditions, productivity, manufacturing supervision and administration"⁵. It is very much necessary for the managers of today's organization to involve this mechanism in the day to day functioning. However, it's incorporation is not that easy as it seems.

Milner et al (1995) defined suggestion scheme as a "formalized mechanism which encourages employees to contribute constructive ideas for improving the organization in which they work"⁶. Suggestion scheme make the employees more committed towards their organizations and thus must be encouraged in all business units. But it's not always easy to retrieve desired outcomes from such tool as demonstrated by **Income Data service report (1991)**. This report conclude that "the greatest obstacle to implementing a suggestion scheme in organizations is the fear by middle managers that such schemes will undermine their importance in the organization"⁷. Continuing the flop side, **Carvenale and Sharp (1993)** "also reports that suggestion schemes can backfire on the organization if they become overtly bureaucratic"⁸. In an another study presented by **Du Plessis and Paine (2007)** correlation between the number of suggestions submitted and the time taken to give feedback was ascertained. The conclusion of such study was "the initial view should be the assumption that all suggestions are beneficial until the evaluation proves otherwise"⁹. Suggestion scheme is incomplete without conclusion of proper feedback system. Such feedback to the suggesters will encourage them to express even more which is better for any organization.

OBJECTIVES OF THE STUDY

1. To study about employee participation in management in RINL.
2. To offer suggestions on the basis of the study results for effective employee participation in management.

HYPOTHESIS

1. There is no significant impact on employee participation in management with cadre.

METHODOLOGY

The present study is based on both primary and secondary data. The primary data for the study are collected by using one elaborate questionnaire for Executive and Non-Executive employees. The aspect on which the data is sought to be collected from the sample respondents includes employee participation in management. The secondary data are drawn from annual reports, research reports, published books, journal, bulletins and internet.

SAMPLING

The study has taken into consideration 120 Executives and 240 Non-Executives employees working in Visakhapatnam Steel Plant. The respondents have been chosen on purposive and stratified sampling basis. In the second stage the researcher has selected the respondents by using simple random technique.

STATISTICAL TOOLS USED

The primary data have been interpreted with the help of statistical tools such as

- Simple percentages.
- Chi-square test of significance is administered to know the association between different variables in the questionnaire with cadre.

EMPLOYEE PARTICIPATION IN MANAGEMENT

Data analysis and discussion

1. Opinion on regular safety meetings

Table no.1: Respondents opinion on regular safety meetings Vs cadre

| | Cadre | | Total |
|-------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Yes | 105 87.5% | 212 88.3% | 317 88.1% |
| No | 15 12.5% | 28 11.7% | 43 11.9% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 0.530 |
| Df | 1 |
| P-value | 0.818 |

Table no.1 infers regarding respondents' opinion on regular safety meetings. It is observed from the table that the respondents of the two cadres have expressed a near similar opinion regarding the regular meetings at Visakhapatnam Steel Plant to discuss the problems related to safety. Out of a majority of 317 total respondents who concurred with the statement about the conduct of regular meetings to discuss the problems related to safety at Visakhapatnam Steel Plant, a majority of 88.3 per cent is from Non-Executive respondents and 87.5 per cent are from Executive respondents.

As Visakhapatnam Steel Plant is a public sector undertaking it has to follow the rules and regulations of Factories Act. As per OHSMS work procedure, regular departmental safety meetings has to be conducted by their respective HODs, the agenda of the safety meetings is prescribed in the procedure itself. And it is proved in the study that a majority of 88 per cent of the respondents opined that Visakhapatnam Steel Plant is conducting regular safety meetings.

The above generated P-value (0.818) divulges that there is no significant association between the cadre and the opinion of the respondents with regard to the statement 'regular meetings organised to discuss the problems related to safety'. Hence, the opinion of the respondents belonging to the two cadres is independent to each other i.e., both Executive and Non-Executive respondents opined similarly to the said statement.

2. Participation in the meetings

Table no.2: Respondents participation in the safety meetings Vs cadre

| | Cadre | | Total |
|-------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Yes | 84 70.0% | 155 64.6% | 239 66.4% |
| No | 36 30.0% | 85 35.4% | 121 33.6% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 1.052 |
| Df | 1 |
| P-value | 0.305 |

Table no.2 illustrates regarding respondents participation in the meetings, a majority of 239 respondents of the total sample stated that they had been invited to participate in the safety meetings. A majority of 70.0 per cent of this slot is formed with Executive respondents, while Non-Executive respondents account for 64.6 per cent. Apart from this a number of 121 respondents said that they are not been invited for the safety meetings. In which, 35.4 per cent are from Non-Executives and 30.0 per cent from Executives.

From the above data, we came to know that all the employees at Visakhapatnam steel plant is not been invited to the regular safety meetings. And it is not possible to the organisation to invite all the employees to the safety meetings. Only selected employees from each section are invited to the regular safety meetings. But all the employees are allowed to give their suggestions regarding safety and accident prevention in their own department at any time. If the suggestion is accepted then the concerned employee will be rewarded suitably by the management.

The P-value (0.305) is found to be not significant at 0.05 level, thus it indicates that there is no significant association between the opinion of the respondents of the two cadres. In other words, the respondents belonging to Executive and Non-Executive cadres expressed more or less similar opinion with regard to this aspect.

3. Periodicity of safety meetings

Table no.3: Respondents opinion on the periodicity of safety meetings Vs cadre

| | Cadre | | Total |
|-------------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Monthly | 77 64.2% | 136 56.7% | 213 59.2% |
| Quarterly | 26 21.7% | 57 23.8% | 83 23.1% |
| Half yearly | 5 4.2% | 11 4.6% | 16 4.4% |
| Annually | 12 10.0% | 36 15.0% | 48 13.3% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 2.442 |
| Df | 3 |
| P-value | 0.486 |

The perception of the respondents on the periodicity of the safety meetings at Visakhapatnam Steel Plant is described in the table no.3. It is observed in the total sample that 59.2 per cent respondents stated that these meetings are conducted every month, while 23.1 per cent of total sample respondents opined that the periodicity of these meetings conducted is quarterly. Similarly, 13.3 per cent respondents of the total sample stated that the Visakhapatnam Steel Plant conducts these meetings once a year. Whereas 4.4 per cent respondents of total sample opined that the meetings on safety related issues are conducted once in six months.

It may be concluded that the Visakhapatnam Steel Plant conducts meetings on safety at regular intervals to ascertain safe working atmosphere to its employees. As a little less than 60 per cent i.e 213 respondents from the total sample told these meeting are held on monthly basis , in which 64.2 per cent from Executive cadre and 56.7 per cent from Non-Executive cadre.

As per OHSMS work procedure regular meetings should be conducted on monthly basis by the concerned HOD. But the study reveals that about 147 respondents do not know that the regular safety meetings should be conducted on monthly basis and they gave different opinions. It is suggested that the HOD of concern department should make their employees aware of the periodic regular safety meetings.

The P-value (0.486) for the respondent's opinion on the periodicity of safety measures and cadre is insignificant at 0.05 level. This indicates that there is no significant relation among the variables. The hypothesis is accepted and the variables are independent to each other.

4. Participation in the decision making process on safety measures

Table no.4: Respondents active participation in the decision making process on safety measures Vs cadre

Crosstab

| | Cadre | | Total |
|-------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Yes | 84 70.0% | 170 70.8% | 254 70.6% |
| No | 36 30.0% | 70 29.2% | 106 29.4% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 0.027 |
| Df | 1 |
| P-value | 0.870 |

When asked about their active participation in decision making process on safety measures at Visakhapatnam Steel Plant, a majority of 254 respondents of the total sample replied in the affirmative. Out of this a majority of 70.8 per cent are Non-Executive respondents while 70.0 per cent are Executive respondents (table no.4).

It can be inferred that the employees at Visakhapatnam Steel Plant take active participation in the decision making process on safety measures. In Visakhapatnam Steel Plant there are lots of committees on different safety activities like; shop floor safety committee, central safety committee, incident enquiry committee, safety inspection committee, internal audit on safety, safety week celebration committee, etc. and most of the employees are involved in one of these safety committees. As such the participation of employees in decision making on safety measures is considerably high. And it is proved in the study also that about 70 per cent of respondents participating in decision making on safety measures.

Based on the above results (table no.4) concludes that the calculated P-value (0.870) is not significant at 0.05 level of significance. Hence, there is no relation between the variables. The hypothesis is accepted and it reveals that there is no significant association in the opinion of the respondents of the two cadres.

5. Employee suggestions are considered

In Visakhapatnam Steel Plant every department has targets on suggestions and quality circles in the sustainability plan. Organisation conducts different suggestion melas to encourage the employees to give their suggestions. The management rewards the employees by different schemes like, cash award, best suggestion award, maximum suggestions award etc. The quality circles are awarded locally, nationally, and internationally. The suggestions given by the employees not only improve safety performance of the company but also increase the productivity levels of the organisation. These suggestions may also help in preventing accidents in the organisation.

It is very encouraging that Visakhapatnam Steel Plant management has considering most of the suggestions of the employees which are generated due to the participative management process.

Table no.5: Opinion of the respondents whose suggestions are considered Vs cadre

| | Cadre | | Total |
|-------------------------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Few suggestions | 79 65.8% | 163 67.9% | 242 67.2% |
| Most of the suggestions | 34 28.3% | 62 25.8% | 96 26.7% |
| All suggestions | 7 5.8% | 15 6.3% | 22 6.1% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 0.262 |
| Df | 2 |
| P-value | 0.877 |

From table no.5 a majority of 67.9 per cent Non-Executive respondents and 65.8 per cent Executive respondents out of 242 respondents of the total sample have responded as few of their suggestions were taken into consideration. 96 respondents of the total sample responded as most of their suggestions got considered, in which 28.3 per cent from Executive cadre and 25.8 per cent from Non-Executive cadre. On the other hand about of 22 respondents of the total sample revealed that all the suggestions are considered, out of which 6.3 per cent are from Non-Executives and 5.8 are from Executives.

The above table concludes that most of the suggestions of the employees are considered by management of Visakhapatnam Steel Plant. But some of the suggestions of the respondents are not considered because different employees give different suggestions and some of the suggestions may be repeated in nature. As such the repeated suggestions are not considered. And this might be the reason for not considering all suggestion given by the employees.

The calculated P-value (0.877) for considering respondents suggestions Vs Cadre is more than the standard value which is found to be insignificant. It signifies that there is no relation between the variables and they are independent to each other. Hence, the opinion of the respondents belonging to two cadres is nearly same.

6. Employee suggestions are considered but not implemented

Table no.6: Opinion of the respondents whose suggestions are considered but not implemented Vs cadre

| | Cadre | | Total |
|------------------------------------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Impossible to implement | 48 40.0% | 115 47.9% | 163 45.3% |
| Highly expensive | 26 21.7% | 28 11.7% | 54 15.0% |
| Not beneficial to the organisation | 24 20.0% | 71 29.6% | 95 26.4% |
| Management ego | 22 18.3% | 26 10.8% | 48 13.3% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|--------|
| Chi-square | 12.600 |
| Df | 3 |
| P-value | 0.006 |

Respondents' opinion on suggestions considered but not implemented is described in the table no.6. It is observed from the table that about 163 respondents out of the total sample of 360 revealed that the accepted suggestions of the respondents are impossible to implement. Highly expensive and not beneficial to the organisation have reported by 54 and 95 of total sample respondents respectively. Some of the respondents' i.e. 48 in number told that their suggestions are not implemented due to management's ego.

After the prima-facie evaluation when the suggestions forwarded for implementation to the concerned department, then some of the suggestions given by the employees may not be feasible for implementation due to technological aspects, designing, geographical aspects and also the suggestions may involve high expenditure.

From the above table it may be concluded that there is a significant association between the cadre and opinion of the respondents towards the statement "suggestions considered but not implemented". i.e. the opinion of Executives and Non-Executives are significantly differ towards said statement. Thus the hypothesis is rejected.

7. Benefits from employee participation in the management

Table no.7: Opinion of respondents on benefits from employee participation in the management Vs cadre

| | Cadre | | Total |
|-------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Yes | 120 100.0% | 240 100.0% | 360 100.0% |
| No | 0 | 0 | 0 |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

Table no.7 furnishes the data whether the employees benefited or not from the employees participation in management. All the respondents of total sample 360 expressed that they got benefited by their participation in management

It is interesting to note that all the respondents felt that employee participation in management derives benefits. The essential condition for participation is that the employee should shoulder the responsibility for the decision taken and he works hard for the success of the decision. In return the employee participation not only benefits the individual but also the organisation.

8. Benefits derived

Table no.8: Benefits derived from employee participation in the management Vs cadre

| | Cadre | | Total |
|--------------------------|---------------|----------------|---------------|
| | Executives | Non Executives | |
| Improved safety measures | 64 53.3% | 117 48.8% | 181 50.3% |
| Reduced accidents | 20 16.7% | 47 19.6% | 67 18.6% |
| Provided good facilities | 19 15.8% | 46 19.2% | 65 18.1% |
| Management co-operation | 6 5.0% | 12 5.0% | 18 5.0% |
| Recognition | 11 9.2% | 18 7.5% | 29 8.1% |
| Total | 120 100.0% | 240 100.0% | 360 100.0% |

| | |
|------------|-------|
| Chi-square | 1.468 |
| Df | 4 |
| P-value | 0.837 |

The opinion of the Executive and the Non-Executive respondents on the issue of the benefits derived by them because of their participation in management is provided in table no.8. It is observed from the data that there are 181 total sample respondents who stated that they had improved safety measures as a result of this and in which, a majority of 53.3 per cent is recorded from Executive cadre, while 48.8 per cent are from Non-Executive cadre. There are 19.6 per cent of Non-Executive respondents and 16.7 per cent of Executive respondents out of 67 total sample respondents who stated that they have reduced accidents because of their participation in management. It is further observed that 65 respondents of the total sample were able to get good facilities and from this section it is found that there are 19.2 per cent Non-Executive respondents and 15.8 per cent Executive respondents. On the other hand, 29 respondents of the sample stated that they got recognition because of their participation in management as 9.2 per cent of this slot contains Executive and 7.5 per cent Non-Executive respondents.

It may be concluded that employee participation in the process of participative management at Visakhapatnam Steel Plant is beneficial to the employees and the organisation as well. Due to the employees participation the respondents gained the benefits like improved safety measures, good facilities, management cooperation and recognition. This creates a win-win situation in the organisation.

The calculated P-value (0.837) is more than the standard value at 0.05 level of significance. It indicates that there is no significant impact on the statement “benefits derived from employee participation” with respect to cadre. The opinion of respondents of the two cadres is more or less the same with respect to the above statement.

FINDINGS

1. A whopping majority of 88.3 per cent Non-Executive and 87.5 per cent Executive respondents opined that management is conducting regular safety meetings to discuss the problems related to safety at Visakhapatnam Steel Plant.
2. Out of 360 total sample respondents 155 Non-Executive and 84 Executive respondents are invited to participate in safety meetings.
3. Nearly 60 per cent of the total sample respondents revealed that safety meeting is conducted every month.
4. About 67.2 per cent respondents of the total sample have responded as few of their suggestions were taken into consideration.
5. All the 360 respondents felt that the employee participation in management derives benefits to them.

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DECLARATION

I herewith declare that the article entitled “EMPLOYEE PARTICIPATION IN MANAGEMENT- A CASE STUDY OF RINL VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM” is original and has not been sent for publication nor published in any journal within India and outside India. I also submit that I have read the submission guidelines and agree to the policy of the journal.

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