

# A Study on Effectiveness of Workers Participation Management in Organizational Growth with Reference to Hatsun Agro Product Limited


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<https://doi.org/10.55041/ijstmt.v2i3.177>

**Cite this Article:** G.GURULAXMI, (2026). A Study on Effectiveness of Workers Participation Management in Organizational Growth with Reference to Hatsun Agro Product Limited. International Journal of Science, Strategic Management and Technology, 02(03). <https://doi.org/10.55041/ijstmt.v2i3.177>

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## ABSTRACT

The involvement of workers in managerial decision-making is a cornerstone of industrial democracy. Workers' Participation in Management (WPM), grounded in the Human Relations approach, emphasizes the psychological and emotional engagement of employees in organizational activities. Traditionally, this concept refers to the inclusion of non-managerial staff in decisions that influence business operations. Despite its significance, Indian corporate culture often falls short in effectively implementing WPM to its full potential.

This research investigates the impact of WPM on organizational development at Hatsun Agro Product Limited, located in Salem. Data for the study was gathered through structured questionnaires distributed among employees, while supplementary information was obtained from company records, journals, books, and online sources. A sample of 120 employees was selected for analysis.

The findings indicate that a portion of the workforce perceives their interaction with management as merely average, highlighting the need for enhanced communication and transparency. To strengthen WPM, the organization should implement strategies that promote open dialogue, increase awareness of participation schemes, and ensure equitable sharing of the benefits derived from participation. Furthermore, trust in the participatory process and well-equipped workplace infrastructure play critical roles in fostering employee commitment and involvement. At present, the level of WPM at Hatsun Agro Product Limited is moderate, indicating opportunities for further development and employee empowerment.

**Keywords:** Workers' Participation in Management, Industrial Democracy, Employee Engagement, Organizational Development, Communication, Human Relations, Hatsun Agro Product Limited, Workplace Culture, Management Involvement, Organizational Infrastructure

## INTRODUCTION

Workers' Participation in Management (WPM) is a vital aspect of promoting industrial democracy. It stems from the Human Relations school of thought in management, which shifted the focus toward valuing employee involvement and collaboration between labor and management. This approach emphasizes mutual respect, shared goals, and the importance of employee contributions to organizational success.



WPM generally refers to the inclusion of non-managerial staff in organizational decision-making. Often described as employee or labor participation, it involves workers taking an active role—both mentally and emotionally—in guiding the affairs of the enterprise. It serves as a structured method for giving employees a voice in matters that affect their work and the overall functioning of the organization.

In any industrial setting, interaction between the workforce and management is essential. While this interaction often occurs through collective bargaining—where representatives negotiate on behalf of both parties—an alternative and more collaborative method is joint decision-making. When both sides work together to address organizational issues and manage operations collectively, it is referred to as Workers' Participation in Management.

At its core, WPM is about decentralizing decision-making and involving employees at various levels in shaping policies and processes. Its primary goals include enhancing productivity, encouraging employee accountability, and maintaining peaceful and cooperative labor-management relations.

### **OBJECTIVES OF THE STUDY**

- To explore the key factors that encourage active participation of employees within the organization.
- To assess employee perceptions regarding workplace conditions and overall job satisfaction.
- To analyze the impact of employee involvement on the operational efficiency of the organization.
- To provide constructive recommendations based on the findings to improve employee engagement and organizational performance.

### **NEED FOR THE STUDY**

- A study on worker participation in management is essential for boosting employee engagement, strengthening organizational performance, and creating a supportive work culture.
- The primary goal is to explore how involving employees in decision-making processes influences their motivation, work efficiency, and the overall quality of industrial relations.
- Such involvement can lead to a more cohesive, productive, and harmonious workplace environment.

### **SCOPE OF THE STUDY**

- Worker participation serves multiple objectives, all aimed at enhancing organizational efficiency and promoting employee satisfaction.
- It plays a crucial role in fostering communication across various levels within an organization.
- Through joint decision-making, the likelihood of industrial disputes can be reduced, contributing to uninterrupted economic progress without the disruption of strikes.
- Participation can occur at different levels of management, depending on factors such as the nature of the organizational functions, workforce strength, departmental diversity, and the attitudes of both trade unions and management.
- Worker participation typically progresses through four stages: informative and associative participation, consultative participation, administrative participation, and decision-making participation.
- This study is specifically focused on Hatsun Agro Product Limited in Salem and aims to assess the extent of worker involvement in management within the organization.

## REVIEW OF LITERATURE

- **Bhowmilk (2016)** has mentioned that the meaning of the concept participative management needs to be understood in the back ground of its historical evolution from the beginning of this century. It has been developed and improved in different forms, in different countries to suit the requirement of the political system and economic structure of the countries concerned.
- **Chaudhari (2016)** has emphasized the main aim of the scheme of the workers' participation in management. The article suggests that WPM is to help in increasing production and productivity and sharing the gains of productivity through more effective management and better industrial relations." The attempts made in this regard by Government of India had been towards greater participation of workers in industrial management. However, all the endeavors by the government have failed in fulfilling the objectives for which they were attempted.
- **Chaudhari (2016)** article suggests that "the origin of the idea of workers' participation in management might be traced from the research findings of Elton Mayo and his Harvard colleagues. They advocated that man is not purely an economic being but is, at workplace a member of a group sharing its norms and goals. For greater productivity Mayo emphasized on human relations instead of authoritarian rule-of-thumb approach of earlier school of scientific management.
- **S.P. Lavakare (2017)** mentions that workers' participation in management has, for some time now, been an integral part of official policy. The study in question has made an effort to secure information on the following topics: (1) Initiative in implementing the scheme of workers' participation in management, (2) Design of the Scheme, (3) Introduction of the Scheme of WPM, (4) Nomination of Workers and Management Representatives, (5) Furnishing of information and communication, (6) Role of Trade Unions in WPM, (7) Achievements of the scheme of WPM, (8) Management's attitude towards WPM, (9) training for WPM.
- **(Lavakare, 2017)** The management in the private sector also mentioned the need to be in tune with current thinking and philosophy of the government. None of the responses suggested any real urge or conviction in new experiment, but rather exhibited a tendency to respond to external pressures. In the light of this, it is difficult to assess the feeling of the executives who tended to give mechanical responses to the queries that were made".
- **Kim (2017)** has been of the opinion that managers use the participative style, they also use participative strategic planning process, and effective supervisory communications that affects job satisfaction. This study inter-alia suggested that emphasizing participative management and fostering effective supervisory communication can enhance employees' job satisfaction. In this regard, organizational leaders' commitment to the changing organizational culture from the traditional pattern of hierarchical structure to participative management and empowerment should be emphasized in the public sector.
- **Lavakare (2018)**, "the scheme for workers' participation was institutionalized when the industrial scenario was at its worse. As a consequence, the expectations of all parties concerned were" very high.
- **Mulder (2018)** found that participation of the less powerful in the decision making process results in a reduction of differences in power between the more powerful and the less powerful. Empirical data about European works council support this point of view. Preconditions are specified in which participation will, on the contrary, increase power differences, and the hypothesis is proved in three laboratory experiments.

- **Prativha Malavia (2018)** has examined three aspects namely, the relation between perceptions of participation and job satisfaction and job effectiveness in Indian culture, the bio data and personality correlates of participation; and whether perception of participation is merely subjective or is governed by the situation. The study was conducted in two textile units of Gujarat.
- **Soonhee (2018)** conducted a research in the context of public and private sector with regard to participative management and its impact on employees' job satisfaction. Soonhee (2002: 231) notes "Researchers and practitioners in both the public and private sectors agree that participative management improves employees' job satisfaction. Public agencies have also turned to strategic planning to enhance government performance and accountability.
- **Kim (2018)** found that the study has been able to examine the positive relationship between participative management and the job satisfaction in local government agencies. It also demonstrated the positive relationship between a participative strategic planning processes a job satisfaction. In addition, the study has revealed that effective supervisory communication has been an important factor affecting employees' job satisfaction.
- **Bagaram Tulpule (2019)** discussed the problems of managements and workers in the public sector. He mentioned that the conditions in the public sector industries are changing. Increasing professionalization of management, a greater sophistication of management practices through the adoption of modern management ideas and techniques, it attempts to bring greater resilience and adaptability to the rules and procedures.
- **Lavakare (2019)** also mentioned that all the executives expressed similar feelings about the future of trade unions in the context of WPM. Executives felt that the role of trade unions shall be weakened if the scheme of WPM achieves success. This was because the scheme not only opened new channels of communications but also cleared exciting ones between workers and managements. This also paved the way to establish rapport between management and workmen directly.
- **Chaudhari (2019)** is also of the view that "participation, as many other terms in social science literature, is used in a variety of senses. It is understood differently not only among social scientists, but also by public officials, managers and union leaders. As it refers to decision in the sector of industrial production, attempts at defining workers' participation are often subjective, influenced by author's political ideology, economic attitudes and projections of the future society.
- **E. Porter (2019)** examined participative management and job satisfaction among community college librarians in the United States. As community college librarians face increasing demands for new services related to the information technology revolution and for expanded instruction to students needing informational retrieval skills, they also face pressures to provide these services within budgetary constraints. The study examined the role played by participative management in contributing to job satisfaction among these librarians. Literature was reviewed showing how participative management contributes to the satisfaction of psychological, social, and self-fulfilment needs described Maslow and Herzberg. The function of participative management was also noted in the human relations theory of management, contingency management theory, and the Total Quality Management model of management. The study confirmed that there was statistical evidence of a moderate correlation between participative management and job satisfaction.
- **F. Praanikar and Gregoric (2019)** discussed the influence of the different forms of participative management on the power of the management and experts in carrying out the restructuring of the Slovenian firms. The firms with the strongest influence of the management and the experts resulted to be more successful in developing the strategic way of thinking, to have clearer and more defined strategies and goals and to adapt better to the international competition. They further confirmed that the management and experts' power is negatively correlated with the percentage of the workers' representatives on the Supervisory Board.

- **Walt (2019)** examined the contribution of ‘workplace forums’ towards the practice of participative management in South Africa. The study gathered the perceptions of management representatives regarding the reasons for the establishment, the process of establishment, as well as the functioning of workplace forums (WPF) in their respective Organizations. The results indicated that WPF have contributed to workers’ participation in a big way. The study recommended that management should create a climate in which more WPF can be established.
- **J. Wimalasiri and Kouzmin (2019)** asserted that employers’ perception of the outcomes of various types of participation was an important factor to influence their willingness to introduce workers’ participation. The study ascribed the increasing popularity of the most employee involvement programmes to the wide variety of benefits that they offer employers such as improved performance and productivity, lower costs, motivation, increased morale and job satisfaction, reduction in conflicts, industrial peace and stability, etc. Direct participation in work-related decisions was found to increase organizational performance and productivity, whereas indirect participative practices had positive effects on job satisfaction and reduction in industrial conflict.

## RESEARCH METHODOLOGY INTRODUCTION

Research can be understood as a systematic and detailed process of exploring or examining, primarily aimed at discovering new information in any area of knowledge. It is fundamentally an academic endeavor and should therefore be interpreted in a precise and scholarly manner. Clifford Woody defines research as the process that involves identifying and redefining problems, proposing hypotheses or potential answers, gathering relevant data, making inferences, and thoroughly verifying the results to check if they align with the original hypotheses..

## RESEARCH DESIGN

A research design serves as a comprehensive blueprint that outlines the techniques and strategies for gathering and evaluating the required data. In this case, the research adopted a descriptive approach. Descriptive research is aimed at portraying the attributes or features of a specific person, group, or situation..

## SAMPLING TECHNIQUE

The study utilized simple random sampling, a method in which each element of the population has an equal probability of being selected for the sample.

## SAMPLE SIZE

- In the total population of this company, Sample size of the study is 120.

## DATA COLLECTION METHODS

- **Primary Data:** Information which is collected at first time is called primary data. In this study Primary Data was collected with the help of the questionnaire. The questionnaires were given to the respondents.
- **Secondary Data:** Information which was collected already by some people is called secondary data. In this study Secondary data was collected from the company, industry websites and journals.

## STATISTICAL TOOLS USED

- To analyze the data, the following statistical methods are applied:
- **Percentage Analysis:** Percentage is a specific type of ratio used to compare two or more sets of data.
- **Correlation Analysis:** Chi-square is a non-parametric test used to determine the statistical significance in a bivariate

tabular analysis.

- Chi-Square Test: Correlation is a statistical method identify and measure the strength of a relationship between two variables.

## CHI SQUARE ANALYSIS

### Relationship between age and objectives of workers participation is fulfilled in management

**H0 (NULL HYPOTHESIS)** = There is no significant relationship between Age and Objectives of workers participation

is fulfilled in management.

**H1 (ALTERNATE HYPOTHESIS)** = There is significant relationship between Age and Objectives of workers participation is

fulfilled in management.

Experience	Highly agree	agree	Neutral	Dis Agree	Highly disagree	Total
20-25	8	0	0	0	0	8
26-30	4	6	0	0	3	13
31-35	0	2	16	37	0	55
36- 40	0	0	0	3	24	27
Above 40	0	0	0	0	17	17
Total	12	18	16	40	44	120

## CONCLUSION

Workers' Participation in Management (WPM) has gained significant relevance in recent times as it plays a crucial role in minimizing industrial disputes and bridging the communication gap between employees and management. In organizations where a moderate participative framework is in place, such as Hatsun Agro Product Limited, Salem, the involvement of employees in decision-making has shown noticeable impact.

WPM serves as a means to reduce the sense of alienation among workers and fosters a sense of personal fulfillment. It contributes to enhanced efficiency, both directly and indirectly, within the organization. However, to accurately evaluate its effectiveness, a systematic approach involving proper assessment and analysis of its impact on productivity and economic factors is necessary.

At Hatsun Agro Product Limited, WPM is implemented at a respectable level, but there are areas that require improvement. Some employees exhibit reluctance in participating in meetings, development programs, and other related initiatives. This indicates the need for corrective actions. The management should take proactive steps to address these



concerns and create a more engaging environment that motivates employees to take part in managerial activities.

Overall, employees hold a favorable view of WPM. They recognize that it promotes better understanding between workers and management and believe it supports both personal and organizational growth. By encouraging greater participation, the company can work more effectively toward achieving its objectives.

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