

MODULE 3

Collective Bargaining, Discipline & WPM

3.1. COLLECTIVE BARGAINING

3.1.1. Concept of Collective Bargaining

The concept of 'collective bargaining' was first originated by **Sidney Beatrice Webb** in Britain and also by **Gompers** in USA. The term collective bargaining can be split into two words i.e., collective and bargaining. It is a collective process because the issues associated with employment terms and conditions are resolved by the representatives of management and employees together. It is a bargaining process because methods like negotiations, discussions, exchange of facts and ideas are used to solve an issue. In collective bargaining, both parties cooperate to find a solution to the problem as a group rather than as individuals. There is no direct confrontation between the groups. **For example**, in our daily lives while purchasing vegetable and fruits from the market everyone indulges in negotiations and bargaining with the vendor to fetch the best price deal. Similarly, various types of negotiations are found in the work environment related to problems of employees which can be termed as collective bargaining. The objective of this process is to establish win-win conditions of employment for the representative of employer and employees. It represents democratic decision-making, which is 'for the people, of the people and by the people'.

According to Dale Yoder, "Collective bargaining is essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment".

According to Cox, "Collective bargaining is the resolution of industrial problems between the representatives of employers and the freely designated representatives of employees acting collectively with a minimum of government dictation".

According to R. F. Hoxie, "Collective bargaining is a mode of fixing terms of employment by means of bargaining between an organised body of employees and an employer or an association of employers usually through authorised agents. The essence of collective bargaining is a bargain between interested parties and not a decree from outside parties".

3.1.2. Characteristics of Collective Bargaining

Characteristics of collective bargaining are as follows:

- 1) **Collective:** It is collective in two ways. Firstly, the workers bargain collectively for the common interests and welfare of all the workers. Secondly, the management and workers mutually arrive at an agreement beneficial for both through negotiations.

- 2) **Equal Bargaining Strength:** Both the parties have equal bargaining strength and that is a feature of collective bargaining. In context of collective bargaining, both the parties bargain from a position of equal strength, as their bargaining strength is equal. This process can be called as industrial democracy at a workplace.
- 3) **Flexible:** Collective bargaining is a group activity in which representatives of workers and management utilise their energies so that a solution can be obtained which is acceptable by both the parties. Inflexibility or rigidity of thoughts and ideas should be avoided for a smooth bargaining process. Collective bargaining is a give and take process where the concerned parties arrive at a solution by exchanging their diverse views. This is a distinctive characteristic of collective bargaining.
- 4) **Voluntary:** The act of coming together of workers and management cannot be forced or imposed upon anyone. Both the parties volunteer to negotiate to have productive dialogue on various troubling issues. Views of each other are scrutinised extensively to find an agreeable solution. Hence, collective bargaining is a voluntary process.
- 5) **Continuous:** Collective bargaining is not a one-time process, which begins with negotiations and ends with an agreement. It is an on-going and continuous course of action. When two parties agree on a matter, it is just the starting of collective bargaining. This agreement has to be implemented in a continuous manner and further negotiations should be initiated.
- 6) **Dynamic:** The process of collective bargaining itself is a dynamic one, as the concept undergoes a lot of changes and develops over time. There are several changes in the manner agreements arrive, their implementation process and the cognitive abilities of the parties. These rapid changes are responsible for making the process dynamic and an evolved one.
- 7) **Power Relationship:** The workers and management shares a relationship in which both wants to extract the maximum from each other, by offering the least. However, a consensus can only be reached when they draw back from their positions and accept less than their demands, and give more than what is offered initially. This helps management to hold on to its power and control on workplace matters. The unions also apply this policy to strengthen their hold over workers and retain their powers.
- 8) **Representation:** In collective bargaining, the main participants do not represent themselves. They represent the claims of the workers and management, when negotiating. Collective bargaining requires that the representatives of unions deal directly with employers. The unions are authorised to bargain with employer on work-related matters.
- 9) **Bipartite Process:** Collective bargaining is a bipartite process, i.e., there is no interference of any third party. All the decisions are taken by employers and employees by negotiating face-to-face with each other.

- 10) **Rule-Making:** Rule-making, i.e., reaching an agreement specifying rules, pertaining to employment relationship is the purview of collective bargaining.
- 11) **Protect Interest:** It is a tool and a procedure to protect the interests of the workers. For discussions and negotiations between the parties, a formal institution or instrument is used widely in industrial organisations.
- 12) **Integral Part:** It is an integral part of the industrial society, as it is a technique which makes an effort to reconcile the needs and objectives of workers and employers.

3.1.3. Objectives of Collective Bargaining

Objectives of collective bargaining are as follows:

- 1) **To Give Opportunity to Workers to Participate:** In the absence of collective bargaining, the workers were unable to participate in the management programme and express their views in front of the management. It provided them an opportunity where they can give valuable suggestions about work and contribute towards programmes. The workers' suggestions may prove to be very useful for the organisation as they are well aware of the real picture of the working conditions. They also have good knowledge about their work and the manner it is to be done. Workers' participation helps organisation in taking right and informed decisions.
- 2) **To Improve Management-Worker Relationship:** Management-worker relationship is strengthened by collective bargaining. Barriers to communication can be eliminated by face-to-face interactions between management and workers. There is a better understanding of each other's views and recommendations leading to greater cooperation. There is no doubt and suspicion on each other as the workers know the position of the management and *vice versa*. Both will know the precise reasons for their differences in opinions.
- 3) **To Resolve Industrial Disputes:** This process involves the joint effort of both workers and management to solve differences; hence, it can be an effective method to resolve industrial disputes. Both parties get to know each other clearly because of collective bargaining. Each and every problem is discussed in detail and solutions are reached accordingly.
- 4) **To Give Benefits to Employees:** An important objective of collective bargaining is to discuss about various fringe benefits with which workers and employees are concerned. Some of these benefits are paid time off for vacations and illness, retirement funds, basic healthcare and expansion of healthcare with perks.

3.1.4. Functions of Collective Bargaining

Functions of collective bargaining are as follows:

- 1) **Relieves Conflicts of Interest:** Conflicts of interests arising at work are reduced through collective bargaining. It also helps to re-distribute

socially-produced wealth. For settlement of any disagreement, collective bargaining generally occurs before any third party intervention and it has been developed as an important method for solving problems.

- 2) **Builds Relations among the Parties:** Collective bargaining is helpful in maintaining cordial relations between the employer or employers' association and the unions. With the establishment of unions and employers intention to have unilateral power, collective bargaining came to the surface to simplify the lines of differentiation between the exclusive power of the management and the union demands.
- 3) **Provides Procedures:** Collective bargaining gives the measures essential for the negotiation and administration of agreements.
- 4) **Governs Employment Relationships:** An important function of collective bargaining is rule-making. The employment relationships in the bargaining unit are administered by collective agreements, which are generally used as the standards. The groups exercise their rights to form their own internal regulations **for example**, by custom and practise and this shows the limitation of the sovereign power of an employer. Hence, collective bargaining is an expression of pluralism where due importance is given to the diverse sections in an organisation.
- 5) **Acts as Agent of Social Change:** Collective bargaining aids in bringing social change, i.e., it contributes towards modifying interaction patterns, values and normative system of the society as a whole. This contribution of collective bargaining has the following important implications:
 - i) Collective bargaining is a practical and tangible concept, which is not just a theoretical class struggle. The objective of the lower class is to get hold of economic and political control over critical decisions in those areas which require most immediate attention, and also they desire to get recognition in other areas of decision making.
 - ii) Collective bargaining is an adaptive process and adjusts according to the changing social, legal and economic environment. In the varying environment, it is a source of consistency. There has been improvement in the social and economic position of wage-earners in absolute and relative terms. Simultaneously, the management has become powerful and dignified. However, this was not an overnight development, but a gradual and slow phenomenon which happened step by step with each clash between opposing parties which was resolved with conciliation different from earlier agreements. Thus, collective bargaining maintains long-run stability based on step by step modifications in relations between management and labour.
- 6) **Democratisation of Working Life:** Rigid decision-making and authoritative style was replaced by joint regulation. Thus, collective bargaining serves as a tool for democratisation of working life.

3.1.5. Importance of Collective Bargaining

Importance of collective bargaining is as follows:

- 1) **Society:** Collective bargaining is important to society in following ways:
 - i) Collective bargaining helps in dividing the benefits derived from industry equally among all the stakeholders, which include the employees, the unions, the management, the customers, the suppliers and the public.
 - ii) It helps to create a structure of industrial laws and regulation based on civil rights followed within the industry. It also make sure random decisions are avoided and rules are followed.
 - iii) Helps in establishing industrial peace in the country.
 - iv) It leads to an amicable industrial environment, which removes the problems in the path of a nation's economic and social development.
 - v) It also gives the procedure to regulate the employment condition of employees.
- 2) **Employees:** Collective bargaining is important to employees in following ways:
 - i) The employees are instilled with the feeling of responsibility towards their work and have high self-esteem as a result of collective bargaining.
 - ii) As the bargaining capacity of the group increases, it makes the workers more powerful.
 - iii) The employees become more efficient and have greater enthusiasm towards work.
 - iv) Keeps a check on random decisions of the management which affect the employees. Biased decisions of the management are also discouraged.
 - v) The trade union movement becomes stronger with increasing support of employees.
 - vi) Makes the management accessible for workers to share their concerns and negotiate on relevant issues for their benefits.
 - vii) Collective bargaining helps in addressing the grievances of workers in a timely manner. As a result, chances of conflict arising from wages and employment conditions, economic and technological advancements in the industry are minimised.
- 3) **Employers:** Collective bargaining is important to employers in following ways:
 - i) It leads to higher levels of output, contributed by a motivated workforce which can freely communicate with the employer and can also bargain with employers for increased incentives.
 - ii) It is very difficult for the employers to resolve every complaint of employees separately. Hence, this method of finding solutions collectively by bargaining is adopted by the management.

- iii) Collective bargaining makes the employees feel secured which results in lesser attrition. Hence, cost of labour turnover to management is reduced.
- iv) It becomes easier to communicate within the organisation and helps to connect to the top level, i.e., management and the bottom level, i.e., worker.
- v) Industrial disputes can be prevented and settled by collective bargaining.

3.1.6. Principles of Collective Bargaining

Principles that management and trade unions should follow for the efficient functioning of collective bargaining are as follows:

1) For Union and Management

- i) Collective bargaining should be made an educational as well as a bargaining process. It should offer to trade union leaders an opportunity to present to the management the wants, the desires, the grievances and the attitude of its employees and make it possible for the management to explain to union leaders and, through them to its employees, the economic problems which confront it.
- ii) The management and the trade union must look upon collective bargaining as a means of finding the best possible solution, and not as a means of acquiring as much as one can while conceding the minimum. There must be an honest attempt at solving a problem rather than at a compromise.
- iii) Both the parties to a dispute should command the respect of each other and should have enough bargaining power to enforce the terms of the agreement that may be arrived at.
- iv) There must be mutual confidence and good faith, and a desire to make collective bargaining effective in practice.
- v) There should be an honest and responsible leadership to make collective bargaining effective and meaningful.
- vi) The two parties should meticulously observe and abide by all the entire National and State laws, which are applicable to collective bargaining.
- vii) Both the parties must bear in mind the fact that collective bargaining is in a sense, a form of price fixation and that any successful collective bargaining depends, in the last analysis on whether the management and the trade union do a good job of ensuring that the price of labour is properly adjusted to other prices.

2) For the Management

- i) The management must develop and consistently follow a realistic labour policy, which should be accepted and carried out by all its representatives.

- ii) In order to ensure that the trade union feels that its position in the organisation or factory is secure, the management must grant recognition to it without any reservation and accept it as a constructive force in the organisation and the industry.
- iii) The management should not assume that employee's goodwill should always be there for it. It should periodically examine the rules and regulations by which its labour force is governed. In this way, it will be able to determine the attitudes of its employees, promote their comfort, and gain their goodwill and cooperation.
- iv) The management should act upon the assumption that, in order to make the trade union a responsible and conservative body, it is essential that it should be fairly treated. It should, moreover, establish such a satisfactory relationship with the trade union and its representatives that the latter will not lightly do anything that is capable of jeopardising that relationship.
- v) The management should not wait for the trade union to bring employee grievances to its notice but should rather create the conditions in which the trade union will not do so, and should settle the grievances of the employees even before the trade union brings them to the notice of the management.
- vi) The management should deal with only one trade union in the organisation. If two trade unions seek recognition, no negotiations should be undertaken with till one of them establishes the fact of having a majority of the membership of the employees in its organisation.
- vii) While weighing the economic consequences of collective bargaining, the management should place greater emphasis on social considerations.

3) For the Trade Union

- i) In view of the rights granted to organised labour, it is essential that trade unions should eliminate racketeering and other undemocratic practices within their own organisation.
- ii) Trade union leaders should not imagine that their only function is to secure higher wages for their members and shorter hours of work and better working conditions for them. They and their members have an obligation to assist the management in the elimination of waste and in improving the quality and quantity of production.
- iii) Trade union leaders should appreciate the economic implications of collective bargaining, for their demands are generally met from the income and resources of the organisation in which their members are employed.

- iv) Trade union leaders should assist in the removal of such restrictive rules and regulations as are likely to increase costs and prices, reduce the amount that can be paid out as wages, and tend to make for low employment and the long run lower standard of living of all sections of society.
- v) Trade union should resort to strikes only when all other methods of the settlement of a dispute have failed to bring about satisfactory results.

3.1.7. Forms/ Types of Collective Bargaining

Various types of collective bargaining are as follows:

- 1) **Conjunctive/Distributive Bargaining:** Under this bargaining, the parties make efforts to take full advantage of their respective gains. Economic issues such as wages, benefits, bonus, etc., are handled by parties through a zero sum game. Zero sum game relates to being in a situation in which a gain for one side entails a corresponding loss for the other side. While unions negotiate for higher possible wages, management likes to give as less as possible, by getting things done through workers.
- 2) **Cooperative/Integrative Bargaining:** When there is joint problem-solving by the management and union in the best interest of both the sides, it can be termed as integrative bargaining. **For example**, when a worker is dissatisfied with pay, this 'problem' can be sorted-out through discussion of changed working practices, which improves the productivity and assures higher earnings.
- 3) **Productivity Bargaining:** This method entails correlating the worker's wages and benefits to productivity. Through negotiations a standard productivity index is finalised initially and workers do not need to perform extraordinarily in order to beat that index. The workers need not perform exceptionally to beat the index. This aids the management in exercising control over workplace relations, and making the norms tighter for further negotiations.
- 4) **Composite Bargaining:** In this method, besides the regular bargain for wages, the workers demand fair play in matters relating to work rules, employment levels and standards of manning, risks related with environment, sub-contracting clauses, etc. This method favours the workers, **e.g.**, when manning standards are being discussed by unions they must make sure that workers workload is not too much. Besides the monetary aspects, the workers are also interested in non-monetary aspects to the exclusion of work-related matters. The wages, bonus and other monetary benefits are considered as the main concern area in the bargaining sessions, but there is definitely a shift towards composite bargaining. The forces of liberalisation, automation, and outsourcing pose a threat to the workers. It is only through composite bargaining

that unions are able to survive and prevent the dilution of their powers and ensure justice to workers. This method also restricts the freedom of employers. Strikes and lock-outs represent a greater threat for employers than composite bargaining.

- 5) **Concessionary Bargaining:** The objective in concessionary bargaining is giving back to management, which is quite opposite to the other forms of bargaining where the unions demand from the employers. When there is need to reduce operating costs, the labour leaders may assist the employers through concessionary bargaining in order to avoid lay-offs and shut down of plant. Hence, economic adversity acts as a motivating force for concessionary bargaining.

3.1.8. Process of Collective Bargaining

The figure 3.1 shows the process of collective bargaining. There are two kinds of environmental factors that influence the process. Firstly, the type of bargaining structure that is present between the union and the company. There are four main types of structures:

- 1) A single company dealing with a single union.
- 2) Various companies dealing with single union.
- 3) Various unions dealing with a single company.
- 4) Various companies and unions dealing with each other.

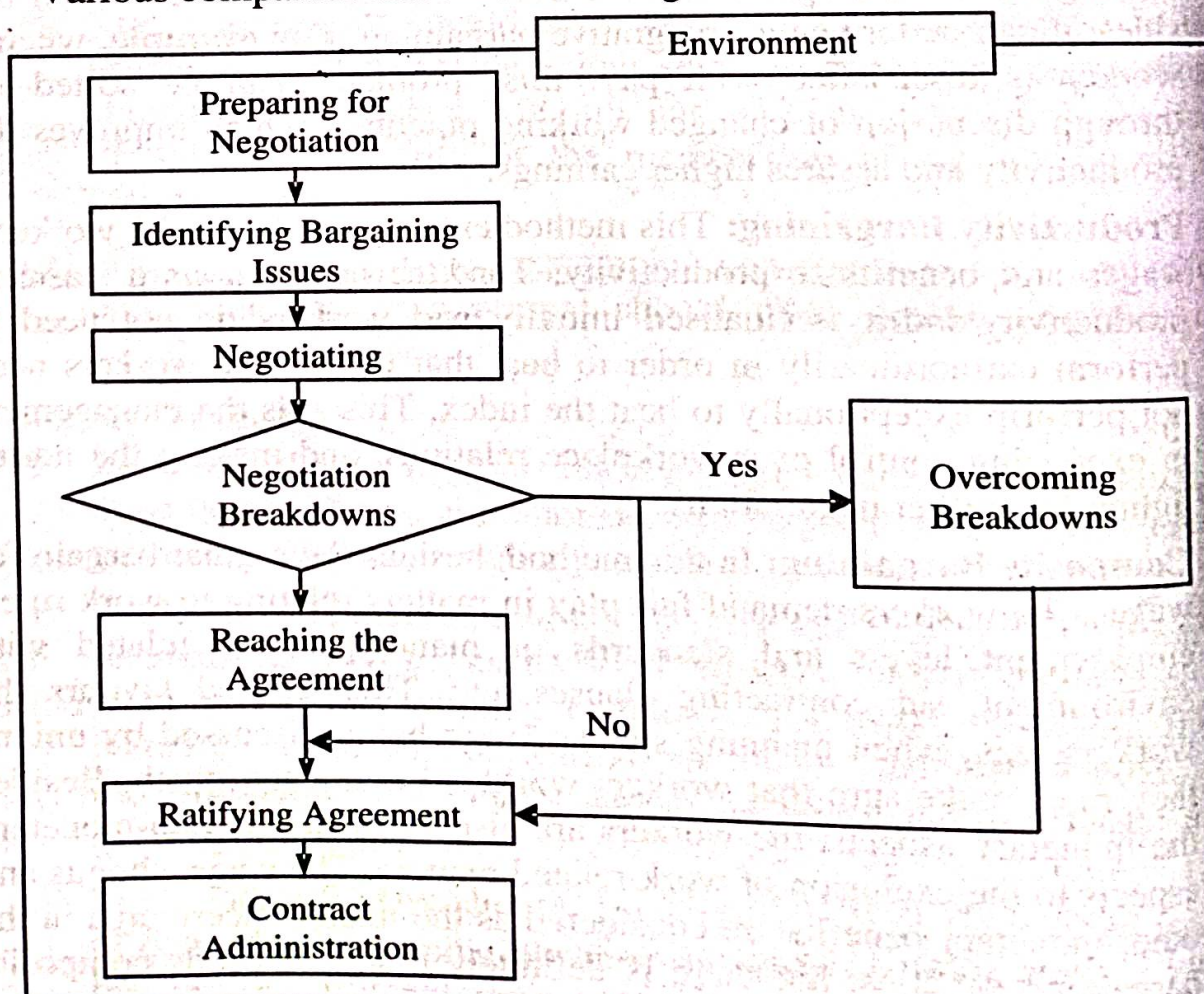


Figure 3.1: Process of Collective Bargaining

The second environment factor is the type of **union-management relationship**. The relationship may be marked by a feeling of non-cooperation or cooperation. Collective bargaining is only possible under cooperative style of functioning. A non-cooperative approach hinders the process. The complete process of collective bargaining is explained below:

- 1) **Preparing for Negotiation:** It is essential for the employers and employees to prepare in advance for the negotiation since a variety of topics and complex issues are discussed during the process. Presenting a methodical and accurate case to both sides can be termed as effective bargaining. From the **management** side the negotiators are required to:
 - i) Make definite proposals, in response to changes in the contract language.
 - ii) Establish the broad range of the monetary package to be proposed by the company.
 - iii) Provide supportive data and statistical tools during the negotiation purpose.
 - iv) Maintain a bargaining book to aid company negotiations, consisting of collected information on issues for discussion, an analysis of the effect of each case, usage in other companies and other facts.

From the employees' side, the following information should be collected by the union:

- i) The financial condition of the company, i.e., the status of assets and liabilities, and its capacity to pay.
 - ii) The stand taken by the management on various problems, as indicated or indirectly concluded from negotiations in similar companies.
 - iii) The requirements of the employees and their views towards them.
 - iv) The negotiators have to be chosen from both sides, selecting an appropriate site for negotiation.
- 2) **Identifying Bargaining Issues:** The main issues in collective bargaining are explained below:
 - i) **Wage-Related Issues:** It includes determination of basic wage rates, cost-of-living adjustments, wage differentials, overtime rates, wage adjustments, etc.
 - ii) **Supplementary Economic Benefits Issues:** It includes plans related to pensions, paid vacations, paid holidays, health insurance, dismissal, supplementary unemployment benefits, etc.
 - iii) **Institutional Issues:** It includes rights and duties of employers, employees, and unions including union security, check-off procedures, quality of work life programme, etc.
 - iv) **Administrative Issues:** It includes concerns of employees such as seniority, employee discipline and discharge procedure, employee health and safety, advancement in technology, work-related rules, job security and training, attendance, leaves, etc.

The wage and benefits concerns of employees are most important during collective bargaining. However, the other issues of institutional rights and administration cannot be ignored by the negotiators.

- 3) **Negotiating:** Negotiation phase starts when both sides put forward their initial demands. The final agreement is not reached immediately as negotiation may spread across several days. These days are marked by intense discussion, competition between opposing groups using intelligent viewpoints, witty wordplays and threatening each other through strikes and lock-outs. The final agreement is signed by the management representatives and the union, which is a major respite for all. The more skilled the negotiators, the better chances of success they have in winning the negotiations.
- 4) **Reaching and Ratifying the Agreement:** Agreement which has been made is still an informal one and it needs to be discussed by other members. Hence, the two sides generally return to their respective people to determine the acceptability of the agreement. An important stage is **ratification**. In this stage, the union members are asked to vote on the agreement, after it is being explained by union negotiating team. A favourable vote translates an agreement into a contract. Unless the contract has clarity and accuracy it can lead to grievance or other problems.
- 5) **Contract Administration:** With the signing of the agreement, the collective bargaining process does not end, rather it truly begins. The contract must be followed by proper implementation of the provisions of the agreement. However, in the stressful work environment, it is tough to execute the provisions firmly. In spite of the best efforts of skilled negotiators and lawyer expert in IR, a perfect agreement may be difficult to reach. Till the agreement period does not expire, the flaws are allowed to continue. Dispute may arise from faulty implementation or breach of any condition. The role of the HR manager is important in the daily administration of the contract. Discipline issues and resolution of grievances arising out of agreement are settled by the HR manager. Additionally, he or she aims to establish ideal working relationships with the help of line management with all employees who are affected by the terms and conditions of the agreement.

3.2. NEGOTIATION

3.2.1. Meaning and Definition of Negotiation

The term "negotiation", in simple words, is a problem-solving method which helps two parties to accept a common decision after sorting out their differences among them. Negotiation is a combination of two Latin words, i.e., 'neg' which means 'not' and 'otium' which means 'ease or leisure'. This term is not only limited to resolve the conflicts and problems related to the business world but also has its grip over parenting, legal issues and

disputes related to industries, etc. Thus, negotiation can be said as a kind of bargaining, which provides the two parties with such an agreement that can be mutually accepted by both. So, in the situation when any of the two parties are unable to achieve the expected outcome or the parties are disagreeing on any issues, negotiation is used as a tool to satisfy the requirements of both the parties to the maximum extent by providing a reasonable outcome. This makes both the parties to come together, clear out their differences and take a decision that is mutually accepted by both.

According to Robert Fisher & William Ury, "Negotiation is a basic means of getting what you want from others".

According to Fowler, "Negotiation can be defined as a process whereby parties or groups attempt to resolve matters of dispute by holding discussions and coming to a mutually agreed decision".

According to H. McCormack, "Negotiating is the process of getting the best terms once the other side starts to act on their interest".

3.2.2. Characteristics of Negotiation

Following are the characteristics of negotiation:

- 1) **Multiple Parties:** Parties involved in negotiation may be two or more. It is a process which aims at arriving at a decision which is mutually agreed upon between the parties of negotiation. The discussion takes place with a view to resolve disputes and is voluntary in nature.
- 2) **Clash of Interests:** It is a characteristic feature of every negotiation. The parties are likely to have distinctive interests. Gain of one party might result in loss to other. The middle path which is profitable to both parties should be acquired in such case.
- 3) **Voluntary in Nature:** In negotiation, the parties negotiate out of their own will and rarely under compulsion. The parties negotiate because they feel that negotiation would provide them something better than what would become available to them if they accept what is provided by the other party.
- 4) **Mutual Adjustment:** The negotiations are based on give-and-take relationships. Though there is increased and vigorous debate at the start of negotiations, all parties have to adjust their demands mutually to reach a final settlement.
- 5) **Satisfying Mutual Needs:** The needs of the parties to negotiation are interdependent on each other. A fulfilment of these needs is mandatory for a successful negotiation.
- 6) **Use of Strategies and Tactics:** There are various strategies and tactics used during negotiations to influence the other parties. These strategies are well-organised and are prepared beforehand to establish a successful negotiation. They are not tricky or manipulative.

- 7) **Controlling Intangibles and Tangibles:** The tangibles include prices, terms and conditions, etc. Whereas the intangibles are tough of representative, strive to win over the other party, etc. Both factors must be handled well for a successful negotiation, because of them affect the parties to negotiation in some or the other way.

3.2.3. Process of Negotiation

Process of negotiation is explained below:

- 1) **Preparation and Planning:** This step calls for understanding the nature of dispute/issues, causes for negotiation to take place, parties involved, viewpoints of the parties, expectations, and objectives of negotiation. This exercise places the aims and objectives in documentary form in order to retain the concentration on it. In addition, the step would enable the parties to become familiar with the range of outcomes beginning from most expected to those that are least satisfactory.
- 2) **Definition of Ground Rules:** After planning and developing a strategic plan, the rules and process to be followed should be made aware to the parties. It helps the parties to negotiation in getting acquainted with each other, venue, time-limits, issues, and the process to be followed if the negotiation process reaches a dead-end situation. At this stage, the mutual exchange of agenda in between parties to negotiation is also done.
- 3) **Clarification and Justification:** In this step, the parties to negotiation have an opportunity to support their demands to their counterparts by justifying and emphasising them in the most convincing manner. The situation should not be used as platform for conflict. Rather, it should be used as an opportunity for enlightening and informing each other about the genuineness and the need of their demands. The situation may call for exchange of documents to make their stands clearly understood by each other.
- 4) **Bargaining and Problem-Solving:** This particular stage comes into play, only after the parties to the negotiation have become fully familiar with each other's requirements and constraints. Negotiations are characterised by the granting and receiving the concessions and finalising an agreement. This step involves the actual bargaining process for solving the issues.
- 5) **Closure and Implementation:** The final agreement which is the outcome of the negotiation has to be put in a formal way and is the final step. Also, this step encompasses development of any necessary steps for executing and controlling the agreement. Few examples of negotiations which need to be necessarily formalised are employment contracts, lease term negotiations, purchase of a product, offering a job for a top management position, etc. However, many negotiations conclude in a formal way just through a hand-shake.

3.2.4. Negotiation Skills

Following are the skills that play a crucial role in the process of negotiation:

- 1) **Analytical Skills:** This skill is required for a negotiator in order to study and scrutinise the problem and to understand the individual interest of the parties to negotiation. Further, a detailed analysis of problem may enable an expert negotiator to arrive at a favourable outcome. **For example,** during negotiation of employee and employer contract, most probable areas of conflict may be related to wage and salary, allowances, benefits, etc. To find a compromising situation for both the parties, their issues need to be analysed.
- 2) **Preparatory Skills:** Skilled negotiators undertake the preparations particularly before a bargaining meeting. Herein, they concentrate on defining goals, issues to be negotiated, and alternatives to the defined goals. They also look into the past relationship between parties to negotiation. Details of past issues, if occurred, and also the details of the outcome arrived after negotiation is obtained. These would enable a negotiator in holding a better command in going ahead with the current negotiation.
- 3) **Listening Skills:** These skills constitute the most important part of a skilled negotiator. It calls for the ability to read, both the verbal and the non-verbal communication during the process of negotiation. To identify the common ground, listening to all the parties is of utmost importance. A good negotiator will always give more preference to listening to others instead of suggesting personal opinions.
- 4) **Emotionally Strong:** It constitutes another vital constituent of a skilled negotiator. It calls for keeping one's emotions well under control. This can be best explained through an example. A leader under negotiation for wage revision may have to undergo repeated failures to arrive at the desired results. This may expose him to adverse criticisms both from the management and his colleagues. Such a person if fails to keep his emotions (frustration) under control, it is quite likely that he may give up and let the negotiation get finalised on a package that might turn out to be a deal of loss for his organisation. Also, after getting too emotional, employees might refuse what is being offered by the employer during a pay-raise negotiation which in turn hampers communication.
- 5) **Verbal Communication Skills:** A skilled negotiator must have the ability to put up his stand clearly, emphatically, and effectively. Failing to do this may cause adverse effect on negotiation leading to cropping up misunderstandings, misconceptions, etc. Without effective communication skills, he may even fail to state his expectations and to justify it.
- 6) **Cooperative and Team Skills:** Approach of a skilled negotiator must be in a way that negotiation is a team activity. Hence, all the parties involved should work as a team to reach a common solution for all. It is aimed at arriving at a win-win situation for all. It is not something where one stands to battle against the rest.

- 7) **Problem-Solving Skills:** A skilled negotiator must be capable in the of solving a problem through a number of ways rather than attaining negotiation objectives. These skills are useful not only negotiating, but they also help in solving other problems that simultaneously such as interrupted communication, problems relating physical arrangements, etc.
- 8) **Decision-Making Skills:** These are skills that enable a negotiator to take decisions authoritatively and unhesitatingly while negotiating. An effective negotiator is expected to take quick decisions while at the same time compromising in order to avoid a situation of deadlock.
- 9) **Interpersonal Skills:** Effective negotiators are masters in the interpersonal skill due to which they are able to foster sound working relationship with all the counter parties. If the negotiation is difficult then in that case negotiators are required to be patient and courteous towards others in order to maintain a progressive environment.
- 10) **Ethics and Trustworthiness:** Trustworthiness of a negotiator and ethical principles fosters a feeling of trust among all the parties in negotiation. It is very important to have a trust on each other that a party will keep his promises after the negotiation ends. An effective negotiator should also have the skill to implement all the promises at the completion of negotiation process.

3.2.5. Negotiation Strategies

The term 'negotiation strategy' speaks of a well chalked-out action aimed at attaining certain predetermined goals. It comprises of developing step-wise programmes that call for exchange of information based on trust and confidence in a very congenial atmosphere. This kind of problem-solving attitude brings step-wise solution of the problem and helps in achieving goals of the negotiation. An effective negotiation strategy encourages cooperation and builds cordial relations among the parties to negotiation. Also, a more constructive approach to reach agreements is established through effective information flow and improved relations. The relations thus developed are long-lasting and create more value in the long-run.

Types of Negotiation Strategies

Following are the various types of negotiation strategies:

- 1) **Competitive/Aggressive Strategy:** The underlying principle of this kind of strategy is complete win or complete loss. This practice means whatever one side wins the other side loses. This is the commonly used strategy. In this kind of strategy, the demands made by each side are too high. Such negotiation strategy is considered tough and comes into effect when the parties to negotiation are unwilling to grant anything to each other. Also known as 'adversarial strategy', this strategy is most effective when there is a single issue.

be negotiated. In the extreme case, one party to negotiation may, by its concessions, gets all its needs fulfilled. While the other party loses it completely, i.e., not even a single need is satisfied.

- 2) **Collaborative/Problem-Solving Strategy:** This kind of strategy calls for expanding or enlarging the scope, nature, and also the very number of things to be shared between the negotiators. In brief, this kind of strategy is defined by stating that each party can be better placed, if they can conceive ways and means to expand the pie, before it is cut. This works on the principle of granting and receiving concessions. Through the use of this strategy, the negotiators can look for best mutual results. It is also termed as 'integrative negotiation strategy'.
- 3) **Compromising Strategy:** It is the strategy of negotiation where all parties to negotiation have equal power to influence the ultimate result. Compromising strategy is so designed that it leads to solution that is acceptable to all the negotiators. This strategy may not succeed in satisfying all parties to negotiation completely, but it does so to a partial extent. It thus does not result in a complete win of any party. Compromising strategy works on the principle of dividing the differences and strikes a balance between the results of negotiation of all the parties. It becomes ineffective in cases where either of a party unnecessarily exaggerate its needs and interests.
- 4) **Accommodating Strategy:** Under accommodating strategy, the solution worked out is of benefit to one party right now but is accepted by the other party in anticipation that it would bring gain in future. Though it can be called as an extreme cooperative strategy, it is used very rarely. One party wins the negotiation completely if its demands are reasonable. It does not guarantee goal-attainment but reduces conflict.
- 5) **Avoiding Strategy:** The concept behind this strategy is to avoid the process of negotiation. The people who believe in this strategy are the ones who are not interested in negotiations at all. It results in either to cancel the negotiation or to postpone it. Instead of solving the conflicts, this strategy makes the situation even worse. Use of avoidance strategy is rare, it often found in situations where the parties to negotiation are not cooperative. And due to its less applicability, it sometimes is not included among the strategies of negotiation.

3.2.6. Importance of Negotiation

Importance of negotiation is as follows:

- 1) **It Resolves Conflict:** Contradiction in the interests and needs of individuals or their affiliates is the root cause of conflict. Parties to negotiation witness varied conflicts based on their demands. If negotiation process is conducted effectively by the parties, it often boosts up the morale of the employees in an organisation and hence it also influences the productivity. The conflicts should be resolved as soon as possible, in order

- to save time for the organisation which it can use in other productive functions such as product innovation, expansion of business, customer relations, etc. In addition to these, it also reduces employee turnover because they start finding the work environment healthy to work.
- 2) **Cost Effective:** Competence in negotiation helps in bringing down the overall cost as it helps in identifying the incorrect contracts and hence lessens the cost involved in it. It also saves the cost of legal arbitration used for conflict resolution.
 - 3) **Makes Relationships Stronger:** Negotiations bring parties closer because during the course of negotiation they exchange thoughts and ideas in order to reach a common ground. It also fosters mutual trust among the parties that they keep each other's interests in mind while negotiating. Collectively, all this helps in procuring quality environment at workplace.
 - 4) **Helps in Gaining Competitive Advantage:** Discussions during the process of negotiation within an organisation enables people to identify the ways to improve the existing processes. When some parties to negotiation are from outside the organisation, the process of negotiation yields the synergic effect, i.e., the cooperative efforts of parties' produces results more than the sum of efforts by the parties individually.
 - 5) **It Helps in Problem-Solving:** Negotiation is all about arriving at a mutually agreeable decision through exchange of views, dialogue, or discussion without affecting the congeniality of the working atmosphere. It also facilitates in developing improved processes of problem-solving.

3.3. DISCIPLINE

3.3.1. Meaning and Definition of Discipline

Discipline refers to follow-up of rules and regulations in a systematic manner by the employees in the interest of the organisation. The employees perform their duties and responsibilities keeping the terms and conditions of the company in their mind, it shows that they are disciplined. One of the main functions of management is employee discipline. Disciplined employees are not only capable to face the competitions but can also result in higher productivity and industrial growth. Discipline motivates them to work in a coordinated manner and achieve the organisational objectives easily.

According to Dale S. Beach, "Discipline regulates (by reward or penalty) the human behaviour".

According to Gary Dessler, "Discipline is a procedure that corrects or punishes a subordinate because a rule of procedure has been violated".

According to Richard D. Calhoon, "Discipline may be considered as a force that prompts individuals or groups to observe the rules, regulations and procedures which are deemed to be necessary for the effective functioning of an organisation".

According to Jucius, "Discipline is said to be good when employees willingly follow the rules of their superiors and their company. Discipline is said to be bad when employees either follow rules unwillingly or actually disobey regulations (that necessitates correction action)".

3.3.2. Nature of Discipline

Nature of discipline is as follows:

- 1) **Standard Behaviour:** Every organisation sets certain objectives for the employees. To achieve these organisational goals, employees need to have a standard behaviour which can be acquired by following a specific code of conduct formulated by the organisation.
- 2) **Motivating Force:** Discipline acts as a motivating force because it encourages the employees to correct their mistakes or misconducts after anticipating the consequences they may face if they violate the discipline policy.
- 3) **Positive or Negative in Nature:** Discipline can be positive and negative in nature. Following the rules and regulations of the organisation systematically will provide a positive response to the employees in the form of reward. Whereas, violation of rules and regulations will have a negative effect on the future advancement of the employee.
- 4) **Voluntary or Imposed:** Discipline is of two types, i.e., voluntary and imposed. If an employee is self-disciplined, it is called voluntary discipline, as it is chosen by one's own will. But when rules and regulations are imposed forcefully, it is called imposed or obligatory discipline.
- 5) **Right of the Management:** Implementing rules and regulations on the employees for the betterment of the organisation is the need as well as the right of the management. In case the code of conduct is unfair and unjust, then only the employees of the organisation can oppose it, otherwise it is undeniable.
- 6) **Controlling Force:** Discipline acts as a controlling force because it regulates the actual behaviour of employees and improves their performance.

3.3.3. Worker's Discipline Management/ Administration

Discipline administration directs at establishing policies, outlining responsibilities and setting future procedures for corrective administration and disciplinary actions. Discipline administration can be defined as the systematic approach adopted by the company against any indiscipline at the workplace. The pre-set procedures describe all types of disciplines including presentation and documentation of warnings, representation at disciplinary interviews, time limits for investigation and rights of appeal.

Discipline administration is considered to be important due to the following reasons:

- 1) It helps in reducing disputes and misunderstandings.
- 2) It helps in directing and controlling the employees in an arranged way.

- 3) It helps in aligning employees' behaviour with standards of performance and with the organisation's policies and procedures.

While administering discipline within an organisation, two main problems occur. The first major problem is that the management fails to handle the indiscipline actions quickly, as they occur. The second problem involves the overreaction resulting from the implementation of a long overdue action. A set of suitable procedures makes the basic framework of an appropriate disciplinary programme. These procedures should be specifically designed for achieving particular objectives of an organisation. However, only the successful effective implementation of a well written policy can produce good and fruitful results. This is considered as the phase where most of the organisational activities fail to enforce effective administrative discipline. Hence, for effective implementation of discipline administration, characteristics of discipline, viz., punctuality, fairness, follow-through, uniformity, equality and warnings, should be exercised accordingly.

Approaches to Discipline Administration

Following are the approaches to discipline administration for facilitating the disciplinary process:

- 1) **Red Hot Stove Rule:** Continuous support of subordinates is very important for the effective and efficient working of the managers. But when an employee violates the rule, disciplinary actions taken by the managers against such employee might give him pain and generate bitterness. Therefore, the way to enforce discipline devoid of bitterness becomes a major issue in this context. Managers do this with the help of the "**Red Hot Stove Rule**", formulated by **Douglas McGregor**, which correlates a situation of touching a hot stove and the act of discipline. This rule guides the managers in maintaining the discipline.

Principles of Red Hot Stove Rule

Red Hot Stove Rule consists of following principles:

- i) **Principle of Immediate Action:** It is a well-known fact to every person that if he will touch a red hot stove, he will get burnt. Similarly, as soon as any kind of misconduct is done by the employee, the manager should immediately take action against that employee.
- ii) **Principle of Warning:** It is very well known to the person that after touching the red hot stove he would get burnt. Similarly, all the employees should be aware of the punishment they will get after violating the rules or committing any mistake.
- iii) **Principle of Impersonality:** This principle says that each person who touches the red hot stove will get injured by the burn. The red hot stove does not see who is touching it. In the same way, the disciplinary actions should be equal for all the employees. The manager must show equal level of judgement to all employees.

iv) **Principle of Consistency:** On touching a red hot stove, every person will burn his fingers in the same way. The principle of the red hot stove rule says that disciplinary actions should be consistent for all employees. Managers should impose the same punishment for everybody regardless of the fact whether the violator is a male or female.

2) **Progressive Disciplinary Action:** Informal counselling is the common initial step. When an employee unintentionally moves towards a wrong way but he is not at extreme end, in that case counselling becomes the best option for the manager to handle the situation at that time. If the employee continues to be on the wrong path even after counselling, then the manager or the employer should adopt the following steps of progressive discipline as shown in the **figure 5.4:**

Step 1: Oral Warning or Reprimand: Whenever a supervisor finds out a worker's problem in his routine work performance, he/she should issue a reprimand of oral nature. The supervisors enquire from the worker if there is any genuine problem affecting long-term nature or experiencing any lack of skills that is acting as a hindrance. If any further actions are required, then the manager prepares a record of conversation, detailed notes, memos and advices.

There should be prior efforts made on counselling before verbal warnings are given. This should be done in order to clarify any misunderstood directions. It eliminates incorrect assumptions and resolves any conflicts.

Step 2: Written Warning: If there is no effect of oral reprimand and the problem continues or more problems arise, then a written warning is given to the employee. Such a warning includes brief detail about the problem, statement of happening, persons involved in the problem and when and where such behaviour took place. It also states the reason behind the urgency of issuing such a written warning and also makes it clear what type of improvement is expected.

Moreover, the employee is given an opportunity to read the statement and make his own comment both verbally and in writing, followed by signing it. However, if the problem still continues or repeated, then a second written warning is issued.

Step 3: Suspension: If the problem still persists after second written warning, suspension is taken into action. In suspension, employees are suspended for one to three working days, with or without being paid. Employees that receive payment in their suspension period, take it as a holiday time. However, it is expected from the employees to reflect on their wrong doing and improve their working style towards a positive mind-set. Further, the employees that are suspended without any pay take the suspension period seriously and employer makes sure not to reward such employees.

In both the cases, the company specifies the reasons for suspension along with the statements regarding termination of their jobs, if the misconducts or irresponsibility still persist.

Step 4: Termination: Termination is logically sequenced after verbal warnings, two written warnings and suspension. The termination of an employee may be for continuous or repeated violations. The reasons for termination are summarised in the HR file of the employee.

- 3) **Disciplinary Action without Punishment:** It is a process in which an employee is provided with paid work-off for pre-set number of days in order to offer some time to the employee to think whether he/she wants to follow the rules and regulations of the company and wants to continue with the job or not. Such an approach enables a company to focus on making employees accountable for their activities and building their importance in fulfilling company's goals by ignoring disciplinary policies.

In the situation of disobeying a rule, an employee is given a verbal reminder and when the misconduct is repeated, written notice is delivered. Even after this, if there is no improvement in an employee's behaviour then a suspension order of two to three days is issued, which enables the employee to think over the whole situation.

In the first two stages, the employee is helped by the manager to solve the problem. But after the third step, when the employee comes back to work then he/she agrees with the rules and regulations of the company and in case of any violation he/she agrees to leave the company.

In case of disciplinary action without punishment, it is very much important to clearly state all the conditions and rules in writing to all employees. New staff is clearly told that repeated violations of rules of the company would be taken as the violation of the same rule repeatedly. Hence, this process helps the company to prevent its employees from any misconduct or delinquency.

3.3.4. Misconduct

Violation of company's rules and regulations by the employees is termed as misconduct. This not only adversely affects the reputation of an employee but also has a negative impact on his career growth. It is not necessary that misconduct takes place within the company premises during the working hours but it can also take place outside the organisation.

It has been seen that an employee who is undisciplined remains absent for a maximum period of time from the company. The concentration level of that employee also reduces gradually, affecting his performance. There are certain changes in the behaviour of that employee.

For example, he/she starts bothering the authority for overtime allowances. These all are some of the symptoms of indiscipline which can be easily detected by the management and accordingly steps can be taken to avoid such acts of misconduct.

3.3.4.1. Forms of Misconduct

The employees in the company commit different kinds of misconducts. The different kinds of misconducts that may be practised in any company are as follows:

- 1) Slowing down the work performance willingly.
- 2) Willingly disobeying, whether individually or in a group, any lawful or important order of the boss.
- 3) Conducting fraud with the business and property of the employer.
- 4) Arriving late frequently in office.
- 5) Frequent absence from the duty without giving leave application/information or being absent since a long time without any genuine reason.
- 6) Indulging in corrupt practices like receiving or offering bribes.
- 7) Intentionally damaging the company's goods and property.
- 8) Undergoing any work strike and forcing others for strike in breach of any law.
- 9) Continuously repeating any action or carelessness, as a result of which fine can be imposed.
- 10) Refusal to work on a job or machinery.
- 11) Habitual breaking of any rule of legislation which is applicable in the establishment or rule made under it.
- 12) Wilfully destroying or altering any company's record.

3.3.4.2. Causes of Indiscipline/ Misconduct

Causes of misconduct are as follows:

- 1) **Stiff and Conventional Practices of the Organisation:** When a company continuously follows its traditional and outdated practices, then the employees indulge in indiscipline. **For example,** a stable and inflexible job schedule or work time-table may lead to violation of the time-table or schedule.
- 2) **Unfair Treatment:** Employee exploitation is generally caused by the biased treatment of the management towards the employees. **For example,** compensation determination, promotion, job assignment, etc. leads to undisciplined employees.
- 3) **Absence of Proper Code of Conduct:** It is the code of conduct that guides the workers in analysing their disciplined and undisciplined behaviour. Sometimes, the employees do not have the knowledge of elements of misconduct until the superiors communicate the code of conduct to them. This is due to the faulty framing of code of conduct which creates confusion in employees to figure out difference between disciplined and undisciplined acts.

- 4) **Improper System of Grievance Redressal:** Employees involve themselves in the act of misconduct so that management gets attracted towards their grievances when an appropriate grievance handling system is absent in the company.
- 5) **Ineffective HR Policies and Procedures:** An ineffective human resource policy may lead to indiscipline and grievance among employees. Therefore, effective and efficient human resource policies and proceedings are required by the management for controlling grievances and hence the probability of misconduct and indiscipline can be reduced to a larger extent.
- 6) **Pessimistic Perception of Employees and Employee Unions:** Management is often ruined by the negative perception of employees and their trade unions. They also underestimate and point out even good acts of management. As a result, employees become strict against the actions of management in various forms like poor performance and misconduct in their behaviour.
- 7) **Organisational Culture:** Organisational culture comprises of various features and attributes of an organisation. It influences the system of employee communication among themselves and also with others, e.g., the employer of the company.
The company may encounter an addition in acts of employee indiscipline as a result of enhanced resistant attitude of employees in the existing culture. On the contrary, the frequency of employee misconduct is often reduced due to peaceful and congenial culture prevailing in the organisation.
- 8) **Lack of Proper Communication System:** A proper two-way communication system is very important in the company for the purpose of making employees knowledgeable about the future working of the company. It also helps in taking regular feedback from employees about all the functioning of the company. But when such an effective system is absent, a communication gap exists between employees and their management. Therefore, defective information channel of communication causes disturbance between the employees leading to misconduct and misbehaviour.

3.3.5. Disciplinary Action/ Procedure

Disciplinary procedure/action is a systematic approach used by an employer to manage indiscipline at workplace. It defines all kinds of discipline, its presentation and documentation of warnings, representation at disciplinary interviews, time duration for investigation and rights of appeal.

According to Michael J. Jucius, "Disciplinary action means the steps taken to remove the reasons of such disobedience".

According to Salamon, "Disciplinary action is taken by management against an individual or group who have failed to conform to the rules established by management within the organisation".

According to S.W. Booyens, "A disciplinary procedure outlines the formal process adopted whenever an employee breaks the rules of the undertaking or commits any other act which might be in breach of the contract of employment".

3.3.5.1. Steps in Disciplinary Action

Disciplinary action includes various steps which are as follows:

- 1) **Preliminary Investigation:** No disciplinary action can be taken by the management until they are confirmed about the misconduct done by any employee. For this, authorities conduct preliminary investigation.

The main aim of this preliminary investigation is to confirm whether any violation has been conducted or not and what is the severity of that violation. Depending upon the degree of severity of violation, investigating officer can either warn or give charge-sheet to the accused if the violation is minor and take strict actions like termination in case of major violation of rules.

- 2) **Issue of a Charge-Sheet:** A charge-sheet is a "show-cause notice" which explains the misconduct done by the employee and the reason for the misconduct in written form. Once the preliminary investigation is done and it becomes clear that the misconduct is done by an employee, the investigating officer can formulate a charge-sheet as soon as possible. It is not a punishment but a warning letter for the violator to make him realise his mistakes and alerts him of the consequences if he violates the rules. But one thing that the investigator should keep in his mind before framing charge-sheet is the aptness of the punishment according to the misconduct committed.

- 3) **Consideration of the Explanation:** The employee on receiving the charge-sheet can:

- i) **Accept the Charges:** Submit his explanation accepting the charges mentioned in the charge-sheet. He can request management to be lenient. But, if the explanation submitted by the employee is unsatisfactory, then further enquiry should be done by the management before awarding any kind of punishment. On the basis of charges admitted, the enquiry officer must record findings, in the presence of employee and duly signed by him.
- ii) **Refuse the Charges:** In case of refusal of charges, the employee can submit his explanation refusing the charge-sheet. In such situation, enquiry officer must enquire the case further, in order to find the real facts.

- iii) **Ask for Extension of Time:** Sometimes, employee demands some more time to submit the explanation. If possible, the time should be extended.
- iv) **Fails to Submit the Explanation:** Finally, if employee fails in submitting his explanation, the management can take any action against that employee.
- 4) **Notice of Enquiry:** The employee receiving the charge-sheet should be informed in advance about the date, time and place of enquiry. In the name of the investigating officer should also be made clear well in advance so that the employee can prepare his case accordingly. The enquiry should be normally held within a reasonable time of receiving the explanation.
- 5) **Suspension with or without Pay:** It completely depends upon the management and type of conduct whether to suspend the employee with or without pay for the indiscipline acts. Suspension letter can be given along with the charge-sheet or even before charge-sheet. If the enquiry is not finished within the given duration, in that case the salary should be paid to the employee for the time extended.
- 6) **Conduct of Domestic Enquiry:** A domestic inquiry must be confidentially done by the management to check whether an employee is guilty of his misconduct or not. It is a way of avoiding any kind of misunderstanding between the employee and the management. It gives a chance to the employee to admit his mistake or to explain the reason for committing the wrong deeds.

Punishing any person without listening him is not the correct way of judgement. Thus, the management should give at least one chance to the violator to explain his viewpoint.
- 7) **Recording of Findings by Enquiry Officer:** Before taking any disciplinary action, enquiry officer submits his findings to the management and then only management takes the step against the employee. These findings are based on opinion given by other workers, the evidences collected from different sources, the charges made, the explanation given by the culprit and finally his opinion and capability to decide the true and false charges. However, the enquiry officer should clearly mention the proved and unproved charges.
- 8) **Awarding of Punishment:** After viewing the previous history of the employee and the results of the investigations and enquiries against the employee, the management decides the degree of punishment for the employee. This punishment is mainly based on the degree of misconduct done by the employee.

- 9) **Communication of Punishment:** Once the decision is taken by the management regarding the punishment to be given to the culprit, it should be properly conveyed to the concerned employee as soon as possible. The correspondence of the punishment must explain:
- i) Reason for charge-sheet issued to the employee,
 - ii) Reasons and methods of enquiry,
 - iii) Results of the investigations done by the officers,
 - iv) Decisions taken by the management regarding the actions to be taken or not,
 - v) Kind of punishment,
 - vi) Date from which the punishment will be applicable.

3.3.5.2. Service Rules

Service rules related to disciplinary actions are specific regulations and guidelines that govern the conduct and behaviour of employees within an organization or government agency. These rules are put in place to maintain order, discipline, and standards of behaviour in the workplace. When employees violate these rules, the organisation may initiate disciplinary actions to address and correct the misconduct.

The specific service rules and disciplinary procedures can vary widely from one organization to another, but they typically include some common elements, such as:

- 1) **Code of Conduct:** Service rules often include a code of conduct that outlines the expected behaviour and ethical standards for employees. This code of conduct typically covers areas like professionalism, integrity, honesty, respect, and adherence to organizational policies.
- 2) **Disciplinary Offenses:** The service rules specify what constitutes a disciplinary offense. This can encompass a wide range of behaviours, such as insubordination, absenteeism, tardiness, harassment, discrimination, theft, fraud, violation of safety regulations, and more.
- 3) **Progressive Discipline:** Many organisations follow a progressive discipline approach, which involves a series of escalating actions for repeated violations. This might start with verbal warnings and progress to written warnings, suspensions, and, in extreme cases, termination.
- 4) **Due Process:** Service rules should also outline the due process that employees are entitled to when facing disciplinary action. This includes the right to know the charges against them, the opportunity to provide a defense or explanation, and the right to appeal decisions.
- 5) **Investigation Procedures:** The rules may detail how investigations into alleged misconduct are to be conducted. This includes who will be responsible for the investigation, how evidence will be gathered, and how interviews will be conducted.

- 6) **Penalties and Consequences:** Service rules should specify potential penalties for various disciplinary offenses. This may include actions like suspension, demotion, termination, fines, or reassignment.
- 7) **Record-Keeping:** Rules often mandate that records of disciplinary actions be maintained in an employee's personnel file, ensuring transparency and consistency in dealing with misconduct.

It's important for employees to be aware of their organisation's service rules and the consequences of violating them. Additionally, organisations should ensure that their disciplinary actions are carried out fairly, consistently, and in accordance with the established procedures.

3.3.5.3. Investigation of Allegation

Investigating allegations as part of the disciplinary action process is a crucial component of maintaining fairness and due process when addressing employee misconduct. When an organisation receives an allegation of wrongdoing that may result in disciplinary action, it must conduct a thorough and impartial investigation to determine the validity of the claims.

Here's how an investigation of an allegation under disciplinary action typically unfolds:

- 1) **Receipt of Allegation:** The process begins when an organisation receives a complaint, report, or information about alleged employee misconduct. This may come from a colleague, supervisor, or through a formal reporting mechanism.
- 2) **Assessment and Initial Review:** The organisation should assess the credibility of the allegation to determine whether it warrants a formal investigation. Initial review might involve a preliminary examination of the facts and supporting evidence.
- 3) **Appointment of an Investigator:** Once it's determined that an investigation is necessary, an investigator is designated to conduct the inquiry. This investigator should be impartial and have the necessary skills and training for the task.
- 4) **Plan and Scope:** The investigator develops a plan for the investigation, outlining the objectives, scope, and methodology to be used. This plan also identifies key witnesses, documents, and evidence to be examined.
- 5) **Gathering Evidence:** The investigator collects all relevant evidence, such as documents, records, emails, and witness statements. Handling and preserving evidence properly is critical to maintain its integrity.
- 6) **Interviews:** The investigator conducts interviews with the individuals involved, including the individual accused of misconduct, witnesses, and the complainant. These interviews should be conducted professionally, confidentially, and impartially.

- 7) **Documentation:** Detailed notes and documentation of all interviews and evidence collected are crucial for maintaining a clear and well-documented record of the investigation process.
- 8) **Analysis of Evidence:** The investigator analyses the gathered evidence to determine the facts of the case. This may involve corroborating witness statements and examining any conflicting information.
- 9) **Report:** The investigator prepares a comprehensive investigation report that outlines the findings, evidence, and conclusions. The report should be factual and avoid drawing any biased or prejudiced conclusions.
- 10) **Decision and Disciplinary Action:** Based on the investigation findings, the organisation makes a decision on whether the allegation is substantiated. If misconduct is established, the appropriate disciplinary action is taken, which may include verbal warnings, written warnings, suspension, termination, or other measures, as per the organisation's policies.
- 11) **Communication:** The outcomes of the investigation are communicated to the relevant parties, including the complainant, the accused individual, and management. It's important to maintain confidentiality and respect the privacy of those involved, disclosing information on a need-to-know basis.
- 12) **Corrective Action:** If misconduct is established, corrective actions are taken to address the situation. This may involve implementing changes in policies, processes, or training to prevent similar issues in the future.
- 13) **Follow-Up:** The investigator or management should monitor and follow up on the situation to ensure that any corrective actions are effective and that the issue is resolved satisfactorily.

3.3.5.4. Showcase Notice

A showcase notice, often referred to as a "show-cause notice," is a formal written communication issued by an employer or an organisation to an employee who is facing potential disciplinary action. It is typically the initial step in the disciplinary process, and it serves to inform the employee of alleged misconduct or performance issues and provides them with an opportunity to respond and present their side of the story before further action is taken. Here's what a showcase notice typically includes:

- 1) **Identification of the Parties:** The notice begins by identifying the employer (the organisation) and the employee who is the subject of the notice. This includes the full name and designation of both parties.
- 2) **Date:** The date when the notice is issued is included at the beginning.
- 3) **Subject:** The subject line of the notice briefly describes its purpose, often using language like "Show-Cause Notice" or "Notice of Alleged Misconduct."

- 4) **Details of Alleged Misconduct or Performance Issues:** The notice should provide a clear and concise description of the alleged misconduct or performance issues. This description should be specific and refer to the relevant policies, rules, or standards that have been violated. Include dates, times, locations, and any evidence or witnesses if available.
- 5) **Employee's Response:** The employee is given the opportunity to respond to the allegations. They are typically instructed to provide a written response to the notice within a specified timeframe. The notice should mention the deadline for the response.
- 6) **Consequences of Non-Response:** The notice may include a section explaining the consequences of not responding or not providing a satisfactory response. This often includes a warning that failure to respond may result in further disciplinary action.
- 7) **Contact Information:** The contact information of the person or department to whom the response should be addressed is provided. This ensures that the employee knows where to send their response.
- 8) **Confidentiality:** A statement emphasising the confidentiality of the proceedings and the importance of keeping the matter discreet may be included.
- 9) **Signature:** The notice is typically signed by the issuing authority or the HR department, and their contact information is provided for any inquiries.
- 10) **Enclosures:** If there are any relevant documents or evidence related to the allegations, they may be included as enclosures.

3.3.5.5. Charge Sheet

A charge sheet, often referred to as a "charge letter" or "disciplinary charge sheet," is a formal written document used by employers or organisations to formally inform an employee about specific allegations of misconduct or violations of company policies.

It serves as the initial step in the disciplinary action process and outlines the charges, allowing the employee to respond and defend themselves. A charge sheet typically includes:

- 1) **Identification of the Parties:** The charge sheet begins by identifying the employer (the organisation) and the employee who is the subject of the notice. This includes the full name, designation, and employee ID or number of both parties.
- 2) **Date and Reference Number:** The date of issuance and a unique reference number for the charge sheet are included for record-keeping purposes.
- 3) **Subject:** The subject line briefly describes its purpose, often using language like "Charge Sheet" or "Disciplinary Charges."

- 4) **Details of Charges:** The heart of the charge sheet is a detailed description of the specific charges or allegations against the employee. The description should be clear, specific, and refer to the relevant policies, rules, or standards that have been violated. Include dates, times, locations, and any evidence or witnesses if available.
- 5) **Evidence:** If there is any evidence supporting the charges, such as documents, photographs, or witness statements, this should be listed and attached as enclosures.
- 6) **Employee's Right to Respond:** The charge sheet should inform the employee of their right to respond to the charges. They are typically given a specified timeframe within which they must submit a written response addressing each charge individually.
- 7) **Consequences of Non-Response:** The notice may include a section explaining the consequences of not responding or not providing a satisfactory response. This often includes a warning that failure to respond may result in further disciplinary action.
- 8) **Contact Information:** The contact information of the person or department to whom the response should be addressed is provided. This ensures that the employee knows where to send their response.
- 9) **Confidentiality:** A statement emphasizing the confidentiality of the proceedings and the importance of keeping the matter discreet may be included.
- 10) **Signature:** The charge sheet is typically signed by the issuing authority or the HR department.

3.3.5.6. Report of Finding

A "Report of Findings" in the context of disciplinary action is a formal document generated after the completion of an investigation into alleged employee misconduct or violations of workplace policies. This report summarizes the findings of the investigation, which can help employers, HR departments, and management make informed decisions regarding disciplinary measures. A typical report of findings includes:

- 1) **Identification of the Investigation:** The report should start by identifying the investigation, including the names of the parties involved (e.g., the organisation and the employee), the date of the investigation, and the purpose of the report.
- 2) **Scope of the Investigation:** A brief description of the scope of the investigation, including the specific allegations and incidents that were examined.
- 3) **Investigation Team:** If multiple individuals were involved in the investigation, list their names and roles, such as the lead investigator, witnesses, and others.

- 4) **Background and Context:** Provide an overview of the background and context of the investigation, including why it was initiated and any relevant details that led to the inquiry.
- 5) **Summary of Allegations:** Summarize the allegations made against the employee, including the specific incidents, dates, times, and locations. Also, mention the relevant policies or rules that were allegedly violated.
- 6) **Evidence and Documentation:** Present the evidence collected during the investigation. This may include witness statements, documents, records, emails, surveillance footage, or any other relevant materials.
- 7) **Interview Summaries:** Include summaries of interviews conducted with the employee in question, witnesses, and any other relevant individuals. These summaries should be objective and factual.
- 8) **Analysis of Evidence:** Analyse the evidence to determine whether the allegations have been substantiated or not. Be impartial and objective in this analysis, and explain the reasoning behind your findings.
- 9) **Conclusions:** State the conclusions of the investigation based on the evidence and analysis. Specifically, indicate whether the allegations have been substantiated or not.
- 10) **Recommendations:** If misconduct is substantiated, provide recommendations for appropriate disciplinary actions based on the severity of the misconduct and the organisation's policies. This may include verbal warnings, written warnings, suspension, termination, or other measures.
- 11) **Corrective Actions:** Suggest any corrective actions that can be taken to prevent similar issues from arising in the future. This may involve policy changes, additional training, or process improvements.
- 12) **Employee's Response:** If the employee provided a response to the allegations during the investigation, include a summary of their response.
- 13) **Signatures and Dates:** The report should be signed and dated by the investigator or investigation team members. Include contact information for inquiries.
- 14) **Appendices:** Attach any supporting documents or evidence as appendices to the report.

3.3.5.7. Punishment to be Imposed

The punishment to be imposed under a disciplinary action process should be fair, consistent, and commensurate with the severity of the misconduct as well as in accordance with the organisation's policies and procedures. The specific disciplinary actions can vary depending on the nature of the violation and the organisation's policies, but here are some common types of disciplinary actions that may be considered:

- 1) **Verbal Counselling or Verbal Warning:** A verbal counselling or warning is an informal discussion with the employee to address minor or first-time misconduct. It serves as a cautionary measure and typically doesn't result in written documentation.
- 2) **Written Warning:** A written warning is a more formal disciplinary action that is documented in the employee's personnel file. It outlines the problem, the expectation for improvement, and potential consequences for further violations.
- 3) **Suspension:** Suspension involves temporarily removing the employee from their duties or responsibilities, with or without pay, for a specified period. It is often used for more serious misconduct or repeated violations.
- 4) **Demotion:** In some cases, an employee may be demoted to a lower position within the organisation, which may include a reduction in pay and responsibilities.
- 5) **Termination:** Termination is the most severe disciplinary action, involving the permanent separation of the employee from their position within the organisation. It is typically reserved for severe misconduct, repeated violations, or major breaches of company policy.
- 6) **Probation:** An employee may be placed on probation, during which their behaviour and performance are closely monitored. Failure to meet specific conditions during probation can result in further disciplinary action.
- 7) **Fines or Financial Penalties:** In some situations, employees may face financial penalties as a disciplinary measure, particularly in organisations where financial impropriety is a concern.
- 8) **Reassignment:** Reassignment involves moving the employee to a different role or department within the organisation as a disciplinary measure.

3.3.6. Domestic Enquiries

The internal hearing which is conducted by an organisation against one of its own employee in order to judge the employee whether he is guilty of the misconduct or not is regarded as domestic enquiry. Finding out the real facts about the allegations made against a certain employee is the main objective of a domestic enquiry.

All the rules related to natural justice must be adopted while conducting the domestic enquiry. Domestic enquiry should be treated as an opportunity to the management to depict that every measure is taken by the organisation to provide the opportunity to the accused employee to prove his or her innocence, rather than treating this process as burden on the management and wasteful exercise resulting in wastage of time, expenses, and resources to the organisation.

3.3.6.1. Individuals Involved in Enquiry

The presence of following individuals is mandatory during the process of domestic enquiry:

- 1) **Enquiry Officer:** No personal knowledge of the incident should be possessed by the enquiry officer with respect to the issues for which a charge sheet has been issued and he should also not have any direct or indirect interest in the case. The principle of natural justice will be violated if an enquiry officer performs the role of both the judge and the witness.
- 2) **Presenting Officer:** Presenting officer is the representative of the management. By adducing the various evidences and witnesses, he presents the case in front of the enquiry officer on behalf of the management. This individual can also be a witness and in this event, he has to be examined first of all. The right to cross examine the delinquent employee, his witnesses and to verify all the presented documents is given to the presenting officer.
- 3) **Delinquent Employee:** The most vital individual in any domestic enquiry is the delinquent employee. It is up to the choice of delinquent employee to defend the case himself or to be represented by an officer of the union or co-workers. In fact, the right to be represented by a lawyer is also given to delinquent employee if the provisions of certified standing order permit this or even if other lawyer is present at the management. If a delinquent employee does not come up to participate in the domestic enquiry after several reminders, he is liable to be pronounced as *ex-parte*.

3.3.6.2. Conducting Domestic Enquiry

The process which is adopted in conducting the domestic enquiry is described below:

- 1) While initiating the enquiry, the name of all the participants of the enquiry process should be recorded. Generally, the domestic enquiry is conducted by enquiry officer, presenting officer, the delinquent employee or his representative, the complainant or his representative present. In this process, no outsider is allowed.

The entire process of conducting the enquiry is explained to the delinquent employee in the language which is understood by him. His consent is taken. The charge sheet is read-out and explained in the language of delinquent employee and he must verify that the entire process of conducting the enquiry is understood by him and he understands the various charges, which are raised against him in the charge sheet.

- 2) By re-affirming the incident or offence, the case is opened by the presenting officer in the presence of all and the witnesses are called along with the complainant and documentary proofs supporting the claims.

- 3) Before providing the chance to the delinquent employee to make any comment with reference to the offence for which a charge sheet is filed against him, the examination of the complainant and his witnesses is done. The information of the offence or incident is provided by the complainant and different witnesses are cited in the support of his complaints. All this is recorded.
- 4) All the witnesses and the complainant can be cross-examined by the delinquent employee on the oral statement alongwith any document, which is being produced by the complainant during the examination. In case the delinquent declines to cross examine the complainant or his witnesses, it should also be recorded.
- 5) The delinquent employee will be asked to present his case and to produce his witnesses after the examination and cross-examination of the complainant and his witnesses. The statements of witnesses will be recorded separately and the cross examination can be conducted by the presenting officer, the complainant or his witnesses.
- 6) All the questions necessary in the interest of the justice will be clarified by the enquiry officer to the delinquent employee.
- 7) The delinquent employee or his representative, presenting officer, witnesses, complainant, and enquiry officer should sign all the proceedings of the domestic enquiry which is being recorded.
- 8) If the offences are accepted by the delinquent employee, it is not necessary to stop the enquiry. In order to avoid any type of future complaints, the formal domestic enquiry should be executed so that the confession of delinquent employee can be recorded.

3.4. PARTICIPATIVE MANAGEMENT/WORKERS' PARTICIPATION IN MANAGEMENT (WPM)

3.4.1. Meaning and Definition of WPM

WPM is an approach to management which involves participation and interaction of all stakeholders to achieve a mutually agreed objective. It means different things to different stakeholders. For example, the workers get an opportunity to participate in the decision-making process, thereby enhancing their status and exercising their control over the organisational decisions. The management on the other hand, gets an opportunity to involve all stake holders thereby enhancing internal harmony, reducing discord and increasing overall efficiencies within the organisation. WPM is an integral component of industrial democracy and based on the concept of 'Human Relations' which aims at creating value for both employees and employers. It enables the employees to get involved in the management processes.

According to Davis, "Participation is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them".

According to Sawtell, "Participation is any or all the processes by which employees other than managers contribute positively towards the reaching of managerial decisions which affect their work".

3.4.2. Features of WPM

For WPM to be successful, following features are essential:

- 1) **Responsibility of the Participants:** The workers accept responsibility that comes with WPM. This is essential to make it work. Accepting to participate in the WPM process entails acceptance of responsibility. This in turn generates a feeling of belongingness in employees and they strive towards executing the decisions effectively. Complete involvement of employees in decision-making process, either directly or through unions, makes them more accountable.
- 2) **Democratic Principle:** In modern day's large industries, it is not possible for all workers to participate in decision-making process individually. Hence the principle of democracy or electing a forum is followed. This reflects the creation of unions, general bodies, and other representative bodies involving workers' representatives in management decision-making.
- 3) **Ability to Impact Decisions:** It is universally believed that the main pillar for an organisation's high productivity, maintenance, and technological adaptability is the workforce. Considering the significance of workforce, WPM enables workers to influence decision-making processes at various levels thereby increasing their own contribution towards activities of the organisation.
- 4) **Influence on Policy Formulation and Execution:** WPM is not merely confined to operational decision making but also encompasses policy formulation and execution. It is pervasive at all the organisational levels in different forms. The participation is limited only till the consultation phase in 'joint consultation'. On the other hand, under 'joint decision-making' the decision-taking authority is shared and everyone gets equal say in it.
- 5) **Self-Management:** Once workers get involved in managing responsibilities, they tend to become more responsible. Punctuality, efficiency, discipline, discord, enthusiasm, etc., tend to automatically improve. This is possible because under WPM, the managerial operations are completely in the hands of employees, i.e., self-management.

3.4.3. Objectives of WPM

WPM seeks to fulfil the following objectives:

- 1) **To Enhance Productivity:** The primary objective of WPM is to ensure that all stake holders work in unison towards a common goal, to increase efficiency, reduce wastages, cut costs, improve productivity and ensure quality of output.

- 2) **To Promote Internal Democracy:** Industrial democracy being a sub-part of the political democracy is promoted through WPM by giving the workers, a say in running the organisation. The employers also start focusing on the human needs of the workers when they are involved in the decisions regarding their own working conditions. WPM instils a sense of belonging, participation, and achievement amongst workers. This fosters a feeling of satisfaction amongst workers that they are involved in all the activities of the workplace.
- 3) **To Promote Harmony:** WPM is the best method to achieve industrial harmony. It aims at providing workers with a platform to share their views, opinions, and grievances thereby reducing potential friction and encouraging industrial peace. It also makes it easier for workers to accept technological changes, business practices, new products, etc.
- 4) **To Ensure Better Communication:** Under WPM, information tends to travel without any hindrance in both ways, i.e., top to bottom and *vice versa*. Management gains access to real-time feedback and suggestions from workers and in turn, it becomes easy to communicate downwards. This helps in improving the overall quality of decisions taken. All of this is made possible through increase in participation of workers under WPM.
- 5) **To Increase Workers' Accountability:** WPM aims to encourage workers to accept responsibility and fosters a healthy outlook towards their work.
- 6) **To Provide Emotional Contentment:** WPM also aims at providing workers with much needed satisfaction at their workplace. Rather than being mere spectators or onlookers, they tend to feel as co-partners or equal stake holders in the organisation. Allowing them to express themselves freely, makes them feel proud and content. All these facets go a long way in fulfilling their non-monetary or non-materialistic needs.
- 7) **To Raise Quality of Work Life:** Greater say in the processes and decisions of an organisation, active participation, the right to be heard, etc., have a long-term positive impact on the overall quality of work life of workers within an organisation.
- 8) **To Establish Mutual Cooperation:** WPM is a great modern day management tool which seeks to increase mutual trust and cooperation between managements and workers, leading to better efficiencies, productivity, satisfaction and quality of outcomes.

3.4.4. Prerequisites for Successful Participation

For a fruitful and successful participation, following prerequisites are essential:

- 1) **Cordial Organisational Environment:** For successful participation of the workers, the overall organisational climate should be conducive in nature. There should be proper bonding, understanding and mutual

- respect within the organisation. The administration should be interested in and must acknowledge workers' ideas, opinions, viewpoints, grievances, etc. and must appreciate them. This generates into the workers a feeling of being heard and valued.
- 2) **Adequate Time for Participation:** Proper planning and coordination is required along with adequate time for enabling workers' participation. Involving workers in sudden situations does not prove feasible.
 - 3) **Importance of the Issue of Participation:** The topic of the participation should hold equal importance to both organisations and the participants. The entire participation exercise would appear as futile or wasteful, if the subject is not of mutual interest or concern.
 - 4) **Potential Workers:** In order to participate, the workers should possess the ability and know-how. Only potential workers or their representatives are suitable for the participation. Also, the participation of workers should have relevant importance towards organisational goals and should be beneficial in long-term.
 - 5) **Effective Communication:** An effective communication is essential between both the parties (workers and management) for successful participation. For effective communication, right understanding should exist between both the parties. Successful participation is determined by an effective communication in the organisation.
 - 6) **Protection of Authority:** All organisations have an internal system of allocation, delegation and dispersal of authority both for employees and workers, which is essential for any organisation to run successfully. For effective participation, it should be ensured that the authority structure is not disturbed or undermined in any way.
 - 7) **Participation Costs:** The financial cost and implications of the participation should be carefully evaluated so that the cost does not outweigh the benefits. The non-monetary costs have to be paid more attention as they are more critical to handle than the monetary costs.
 - 8) **Alignment With the Policy's Framework:** The participation of the workers should be within the framework of the overall policy. It means that every activity, decision or function of the participation should be within the boundaries of the organisation aligning with organisational goals.
 - 9) **Growth-Oriented Approach:** The management should consider equal importance of the workers in their progress. The workers should be informed about the importance and benefits of participation. Hence, a progressive approach should be followed.
 - 10) **Training and Education:** As participation is a novel concept, all the workers should be trained and educated about the advantages they will receive by successful participation.

3.4.5. Forms/Methods of WPM in India

Methods of WPM prevalent in India, are as follows:

- 1) **Collective Bargaining:** Collective bargaining takes place between the management and the representatives of workers (generally, trade union leaders). This is done in order to resolve the issues which arise due to the contradictory interests of management and the workers. Some of such issues are salaries, allowances, holidays, etc. Before reaching to consensus, each of the parties refuses the views of others to derive maximum benefit. They also use various tools for it such as threatening to go on strike, lockouts, etc. But, once the consensus is attained, both the parties are bound to follow it.
- 2) **Participation through Staff or Works Council:** These councils are represented only by employees. Either a single work council can be made for the whole organisation or all the hierarchical levels can have a separate work council. In both the cases, concerned employees choose the members of their council.
- 3) **Joint Management Councils and Committees:** No considerable attention is paid to these councils by the management and by the workers as well because they only recommend and suggest the things instead of doing proper negotiation.
- 4) **Board Representation:** In this method, one or more representatives of workers are included among the board of directors of the company. Being a board member, they are supposed to talk to the other directors regarding the interest of workers. The favourability of the result of negotiation, for the workers, entirely depends on the attributes of the representatives, i.e., decision-making power, company awareness, thoughtfulness, educational qualification, etc. The number of representatives among the board of directors may also impact the decision.
- 5) **Participation through Complete Control:** In this method, organisation is managed entirely by the boards elected by the workers. This concept is referred to as self-management and is being followed in Yugoslavia. In the case of self-management, all the activities of management are directly controlled by workers, as they get it done through the elected board of representatives. The benefits of this system are that the workers get recognition in the company and chances of conflicts decline. This is because the workers become loyal towards company in such systems. This system is favoured by trade unions, though it is not a solution to the problem of worker's participation in management as workers lose interest and do not participate in management activities and decision-making.
- 6) **Participation through Ownership:** Another way to win the participation of workers in management is by making them part owners

of the company. It can be done by encouraging them to buy equity shares. For this, management can even provide facility of EMI, loans and advances, etc., to the workers. An additional advantage of it is that workers will perform their duties with more commitment and dedication.

- 7) **Participation through Job Enlargement and Job Enrichment:** The horizontal expansion of one's job is known as enlargement of job, in which the tasks of same level are added. Whereas, enrichment of job is a vertical expansion, in which responsibilities are added to make one's job more exciting and motivating. The prime objective behind enlargement and enrichment of job is to remove the monotony and make it rather interesting. It is mainly in the case of production industries where some jobs require high concentration. Participation of workers is supposed to increase with the help of job enrichment and job enlargement because these techniques liberalise the employees to take decisions. But, with the help of this method the degree of participation remains limited to the decisions concerning his/her job.
- 8) **Participation through Suggestion Schemes:** Under this method WPM, suggestions of employees on various issues are invited and the best one is rewarded. This is done to encourage the participation of employees in the process of administering various organisational issues like waste management, safety measures, energy conservation, etc.
- 9) **Participation through Quality Circles:** Quality circle is referred to a group of six to eight workers of identical working area, who voluntarily participate in order to identify the quality related problems of their working area, analyse it, and to find its solution. Its meetings are held on monthly or fortnightly basis. The initial meetings after the formulation of quality circle are used to impart training to the circle members. Various techniques of quality control, industrial engineering and group dynamics are used to train the members for developing better problem-solving skills in them. Some of the techniques used are cause-and-effect analysis, brainstorming, Pareto analysis, stratification, scatter diagrams, histograms, control charts, etc. It is believed that effective execution of quality circle can produce authentic and remarkable results, that too within stipulated time.

In case of small-scale production systems, quality circle plays an important role. A technique named as 'Kaizen' is used in these systems to increase the level and quality of output as well as to decrease the cost incurred in production. In this technique, human resource is perceived as the most valuable resource of the organisation, and hence the team spirit and worker's participation is encouraged. The emphasis of Kaizen is not on replacing the old machines with new and improved ones rather it uses the participation of workers with intent of continuous improvement of existing techniques and procedures.

3.4.6. Importance of WPM

WPM is important in following ways:

- 1) **Provides Organisational Balance:** Organisational balance can be achieved to a greater extent if the worker's do participate in the process of analysing organisational problems and attempt to resolve them. Doing so can lessen the chances of intra-organisational conflicts and issues, both on individual as well as on group level.
- 2) **Decreases Misunderstanding:** WPM helps in decreasing the misunderstanding, which often arises between management and the employees.
- 3) **Lessens Industrial Conflict:** The root cause of industrial conflict is the dissimilar set of interests of different parties. Both the parties perceive their interests as reasonable. In such situations, worker's participation in management tries to bring congruency in the interest of both the parties, in order to remove the above mentioned root cause of industrial conflicts.
- 4) **Provides Opportunity of Individual Growth:** In participative management systems, individuals are given chance to initiate and give creative inputs towards the fulfilment of organisational objectives. This increases the creativity and responsiveness of employees which in turn contributes to overall growth of individual.
- 5) **Enhances Productivity:** Various studies concluded that unsound relation between labour and management does not motivate workers to make extra efforts on their work. Workers participation in management develops good management-workers relation, which in turn motivates the worker to work more than the desired level. Hence, the organisation achieves greater productivity.