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Impact of Workers' Participation in Management on Productivity and Job Satisfaction in Sugar Industry of Haryana

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Abstract:

It is well accepted that the workers' participation in management affect job satisfaction, productivity and positive work environment in the organization. The main intention of this study was to find the impact of workers' participation in management on job satisfaction and productivity in the sugar industry in Haryana. The impact on job satisfaction is determined through satisfaction with the work itself; followed by the satisfaction from wpm policy, motivation by supervisors, working hours and satisfaction from reward policy. The impact on productivity is assured through definite Schedule, better training, better quality, clarity of instructions, low machine breakdown, capable supervision and low rate of absenteeism.

Keywords: Workers' participation, productivity, jobs satisfaction, sugar industry

1. Introduction

Workers' participation forms an environment where the workers can share ideas and innovation with the management. Kruse (2004) explains that organizations that lack proper employee involvement often face shortage of staff and absenteeism of employees is usually very high. According to research conducted by Ackers, Wilkinson & Dundon (2006) on employee participation in Britain show that organizations that do not involve their employees in decision making process, have low job satisfaction. The employees are inadequately motivated to carry out their duties and have poor innovation.

Most companies make every effort to employ and maintain productive employees in their organizations. Productive employees come about with new ideas and strategies to enable the organization survive in this riotous economic environment. According to Robinson (2004), productivity is a performance measure that includes both efficiency and effectiveness. In the case of effective organizations, there is high employee involvement and employees are more willing to get involved in goal setting, decision-making or problem solving activities that results in higher employee performance. Employee participation encourages participatory management, satisfaction, raises employee productivity and lowers the employee compensation rates. Also, employee participation encourages job satisfaction, which increases productivity through bringing high quality motivation and working capabilities. Gall (2004) argues that participative climate has more considerable effects on workers' satisfaction than participation in specific decision.

In India, labour laws virtually regulate all terms and conditions of employment at workplace but still workers do not feel the urge to participate in management having an innate feeling that they are borne to serve and not to rule. Also the trade unions and employers often discourage workers in taking a lead.

2. Review of Literature

Miller, K. I., & Monge, P. R. (1986) report a meta-analytic literature review testing cognitive, affective, and contingency models of the effects of participation in decision making on employees' satisfaction and productivity. Contingency models received no support. Results from field studies provided some support for cognitive models, and strong support for affective models linking participative climate with worker satisfaction.

Huselid (1995) comprehensively examined the relationships between systems of High Performance Work Practices and firm performance indicates that these practices have an economically and statistically significant impact on turnover and productivity as well as of corporate financial performance.

Kadyan (2014) in her paper has concluded that employee participation and empowerment has shown a positive impact on job satisfaction. The employee participation has also shown positivity in climate as peace and harmony, reduction in turnover and finally increases in the productivity.

Wang & Yang (2015) examine the effects of informal participation and the possible moderating effects of interpersonal relationships and career development support. Based on a survey of civil servants in Beijing, the article finds that informal participation has positive

and statistically significant influence over job satisfaction. The effects are positively moderated by interpersonal relationships and negatively moderated by career development support.

Wright & Kim. (2004). In their study on the impact of employee participation and job characteristics on the job satisfaction study found that participative decision making has a significant positive effect on performance outcome, task implication, and career development support. Performance result was positively related to job specification and career development support. Task significance and career development support were, in turn, positively related to job satisfaction. These findings suggest that participation has an important, though indirect effect on employee job satisfaction through its influence on job characteristics.

Bhatti and Qureshi (2007) in their research found that there is a positive relationship of job satisfaction with employee participation, employee commitment and employee productivity. This finding also adds to the advantages of the job satisfaction of employees by adding that at the same time it has a positive effect on three factors like productivity, commitment and participation in work activities.

3. Objectives

- i. To ascertain the awareness level about the workers' participation in management in sugar industry of Haryana.
- ii. To determine the areas in which workers' involvement is in practice.
- iii. To find the impact of workers' participation in management on productivity.
- iv. To find the impact of workers' participation in management on job satisfaction

4. Research Methodology

The study was carried out in three sugar mills of Haryana i.e. Gohana, Panipat and Meham. The primary information was collected with the help of a questionnaire with likert scale. The 5 point likert scale is used in which SA-- Strongly Agree A-- Agree N--- Neutral D--Disagree SD-- Strongly Disagree. The responses were collected from 230 respondents and was analyzed with the help of SPSS 20. The factor analysis as a data reduction technique was used to reduce 35 variables into four components. The correlation, regressions and ANOVA was further used for analysis purpose.

5. Analysis Findings and Discussion

5.1. Awareness Level

It is found that 56.4% workers strongly agree about their awareness, 38.15 agree and 5.6% are neutral. As we see that there is a significant difference between decision areas where wpm is in practice is accepted. The responses shows that 75.6% agree that workers participation should be in practice, 9.7% strongly agree and 14.7% are neutral. Out of total respondents, 76.1% agree that wpm contributes to the development of the sugar industry, 7.8% strongly agree and 16.1% are neutral. 81.1% of workers are of the opinion that wpm policy must be implemented in all the sugar mills. The workers who strongly agree that wpm policy should be implemented are 17.5% and 1.4% neither agree nor disagree.

5.2. Workers' Involvement

From the analysis, it is found that 89.5% workers' are consulted for their work place or the department, consultation in the case of their welfare is 37.6%, followed by consultation for working hours i.e. 34.8% and lastly consultation in case of administration i.e. 23.6%. Thus we find that workers' participation in management in the form of their direct consultation for their workplace, welfare decisions and working hours is at higher side and consultation in administrative areas comes at the last. Whereas workers involvement in decision making for introduction of new machine and equipment and workers' salary is not in practice in the sugar industry.

5.3. Impact of wpm on Productivity

Simple Regression analysis is used, by taking 'Productivity Component' as dependent variable and other variables contributing to productivity as independent variables. The value of R² equals 0.979; indicating 97.9% of variations in model are explained. The standard error is only 0.145. The value of 'F' statistic is significant as indicated by the ANOVA table with a significance value of only 0.000 and F value 1505.28, while we take all the variables explaining productivity, impact of wpm together. Hence it can be concluded that the impact of wpm on productivity of workers in the sugar industry is having significant mean differences.

From the Regression Equation, we find that keeping other things constant, WPM promote Definite Schedule, and if it is followed it raise the productivity by 47.2%, Secondly WPM facilitates Better Training which contribute to 33.3% raise in productivity, WPM sponsor Better quality, which help increase productivity by 29.7%, Clarity of Instructions endorsed by wpm help rise the productivity by 23.3%, due to low machine breakdown productivity improve by 21.3%, capable supervision contributes to 15.4% productivity increase, the low absenteeism and low accident rate due to wpm help rise the productivity by 8% and 4% respectively.

5.4. Impact of wpm on Job Satisfaction

Simple Regression analysis is used, by taking 'Job Satisfaction and Motivation Component' as dependent variable and other variables contributing to it as independent variables. We see that R² equals 0.975; indicating 97.5% of variations in model are explained. The standard error is only 0.159. The value of 'F' statistic is significant with significance value of only 0.000 and F value 1248.65. Hence it can be concluded that the impact of wpm on Job Satisfaction and Motivation of workers in the sugar industry is having significant mean differences.

From the Regression Equation, we can interpret that keeping other things constant, due to WPM workers are very much satisfied with their work and it contributes to their satisfaction by 39.4%, satisfaction from wpm policy contribute to 39.2% followed by motivation by supervisors for better performance by 38.4%. Satisfaction with Suggestions followed up, Help from Co-workers Satisfaction from Working Hours and Satisfaction from Mill's Reward Policy contribute 28.5%, 21.5%, 18.5% and 16.5% respectively overall satisfaction. At the lower end satisfaction from supervisor, Cooperation among workers and lastly Satisfaction from Work Place contributes 14.3%, 8.8% and 8.3% to satisfaction and motivation..

6. Suggestions

Every worker is required to be aware about wpm, its benefits, and contribution to the development of the organization. They must take initiative for its proper implementation and not just for formality sake. It is suggested that workers involvement in decision making for introduction of the new machine and equipment is not in practice in sugar industry which requires management thought. It is suggested that clarity of communication and timely supply of material can also contribute to higher productivity and it needs attention. The impact on satisfaction from supervisor, cooperation, and satisfaction from workplace was at lesser side, which needs to be improved. The satisfaction from welfare schemes is not significant and it is the area where workers involvement could be maximum.

7. Conclusion

Workers must be made aware of the benefits of participative management and they should come forward and take initiatives. A mutual co-operation and commitment to participation must be developed by both management and the workers. The effective communication between management and workers and effective consultation of shop floor workers is the need of the hour in the sugar mills of Haryana. Workers' participation is a continuous process and should start at the operating level of management to encash its benefits and have larger impact on job satisfaction and productivity in the sugar industry

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