

## **IMPLEMENTING WORKERS PARTICIPATION DIRECTIVE IN MONTENEGRO**

### **1. CURRENT LEGAL FRAMEWORK OF EMPLOYEE PARTICIPATION IN MANAGEMENT IN MONTENEGRO**

There is no legal framework for establishing workers' councils in Montenegro at the moment. The topic is also not on the working agenda of the Ministry in charge of the implementation of the Directive. Being so, this offers a great opportunity to the social partners to discuss all the relevant issues regarding workers' participation in management from different unencumbered perspectives and create common position and present it to the government.

With an aim to find common position on the role of workers' participation and identify possible operators of workers' participation in management, several meetings and other activities have been carried out. Employee organization (UPCG) held separate meeting with the two of the largest trade union confederations, and exchanged views and discussed their possible role in the system yet to be established.

### **2. THERE IS A TRADE UNION, AND THERE IS A WORKERS' COUNCIL**

Common misunderstanding regarding the role of the workers' councils and their relationship with trade unions is that they share the same one. The role of the trade union and the role of workers councils is strictly separated; Even though the trade union at the company level is a representative of its members it represents the collective employment relationship interests, such as wages, annual leave, working hours, some aspects of health and safety etc. On the other side, workers councils represent all employees in the company in the processes of adopting managerial decisions such as: company status changes, transfer of undertaking, changes in company' activities, employment policy, wage system policy etc.

Workers' council is not a supplement for trade unions at any level, but an addition to the workers' collective right to organize.

Workers' participation does not mean that workers in fact take managerial decisions, however the right to be informed and to be consulted on issues concerning workers as a whole is an important aspect of managing changes in the company. Hence workers have an opportunity to obtain the information on their role in the company and on foreseen changes, as well as share their opinion and hence contribute to better and more balanced decisions and measures.



### **3. BENEFITS FOR THE COMPANIES**

- Participation may result in better decisions. Workers often have information that higher management lacks. Furthermore, participation permits a variety of different views to be aired.
- People are more likely to implement decisions they have made themselves.
- They know better what is expected of them, and helping make a decision commits one to it.
- Participation may lower the disutility of effort, by providing intrinsic motivation.(4)
- The process of participation may satisfy such nonpecuniary needs as creativity, achievement, and the desire for respect.
- Participation may improve communication and cooperation; workers communicate with each other instead of requiring all communications to flow through management, thus saving management time.
- Participative workers supervise themselves, thus reducing the need for managers and so cutting overhead labor costs. Participation teaches workers new skills and helps train and identify leaders.
- Participation enhances people's sense of power and dignity, thus reducing the need to show power through fighting management and restricting production.
- Participation increases loyalty and identification with the organization. If participation and rewards take place in a group setting, the group may pressure individuals to conform to decisions.
- Participation frequently results in the setting of goals. Goal setting is often an effective motivational technique, particularly when workers set their own goals.

