



## ABOUT THE BASICS OF WORKERS' PARTICIPATION

### 1. WHY WORKERS' PARTICIPATION?

Workers' participation in management is one of the key ingredients of Industrial democracy. The concept of workers' participation in management refers to participation of non-managerial employees in the decision-making process of the organization. The International Labour Organization (ILO) has been encouraging member nations to promote the scheme of Workers' Participation in Management, whereas the Acquis communautaire imposes member states, to implement a legal framework for establishing collective workers' representative bodies at company level.

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.

Workers' participation in management has benefits for companies as well; it provides management with (from the workers' perspective) properly communicated, legitimate and transparent decisions, which lead to better implementation of changes and much smaller possibility of rejection of introduced and/or anticipated changes. It also contributes to more open and communicative relationships in the company.

The main objectives of workers' participation in management are as follows:

- To raise level of motivation of workers by closer involvement.
- To provide opportunity for expression and to provide a sense of importance to workers.
- To develop ties of understanding leading to better effort and harmony.
- To act on a device to counter-balance powers of managers.
- To act on a panacea for solving industrial relation problems.

### 2. THERE ARE SEVERAL FORMS OF WORKERS' PARTICIPATION

**Works Councils:** In accordance with the Directive, workers can establish their own representative bodies if certain (mostly regarding the number of employees) requirements are met. In accordance with the Directive, National legislation provides rules for election of workers' representatives, level and forms of participation, level of protection of workers' representatives etc.

Works council has different role in participating in managerial decisions depends on the intensity of consequences in the sphere of workers; from the right to be informed to the right to be consulted. In some countries, workers' councils' consent has to be given related to most important decisions with great impact on the sphere of workers.





**Supervisory and Board Representation:** The role of a worker representative in the supervisory board and board of directors is essentially represented worker's interest with the other members of the board. At times, this may result in tension and friction inside the board room. The effectiveness of workers' representative at the board depend upon his ability to participate in decision-making, his knowledge of the company affairs, his educational background, his level of understanding and also on the number of worker representatives in the Board.

### 3. THERE ARE SEVERAL LEVELS OF PARTICIPATION

Workers' participation is possible at all levels of management; the only difference is that of degree and nature of application. For instance, it may be vigorous at lower level and faint at top level. Broadly speaking there is following five levels of participation:

**Informative level:** It ensures that employees are able to receive information related to the matters of general economic importance.

**Consultative level:** Here works are consulted on the matters of employee welfare such as work, safety and health. However, final decision always rests at the option of management and employees' views are only of advisory nature.

**Co-determination level:** Some decisions by the management have to be confirmed (co-determined) by workers' council or other employee body.

### 4. SOME FINAL REMARKS

Workers' council cannot be a substitute for trade unionism at company level, and trade unions can also not be a substitute for workers' councils. Workers' councils represent workers in the company as a whole whereas trade unions represent their members. In addition, workers counsels' field of work does not overlap the scope of trade union activities – trade unions and workers' councils in the company complete the representation of workers interests in the company.

### 5. USEFUL LINKS

- <http://www.zds.si/en/projects/wim2/default.html>
- <http://ec.europa.eu/social/main.jsp?catId=707>

