

Value addition series for Mains Public administration

1. Industrial democracy -

People associated – Follet, Fred Emury and Einar thorsrud

- A form of governance in which employees or their representatives make decisions at the organizational level. In this legally sanctioned arrangement, workers participate in management decision making exercise as part of permanent councils, committees or Boards.
- It is also known as co determination in Europe.

Evolution of the concept

Mary parker follet – She advocated individual and community development and democratic forms of organisations including self-governing groups. According to her, the success and progress of any business will depend largely on its ability to get its fullest contribution from every man. she suggests that management and workers shall be allowed to contribute and take responsibility.

This concept became prominent in Norway, Sweden and Germany. In Sweden, the 1972 Board of representation act and the 1976 co-determination of work act established that overall management of a firm should be a joint effort between workers and management with equal right to information and the management must consult with union leaders on major issues and unions have right to veto on issues of contract employees etc. The Unions could also place two reps on the board of directors. Similarly in Norway the informal worker councils are converted in to corporate assemblies to increase their participation in decision making. In UK, Bullock committee 1977, recommended for worker representatives on boards of companies.

The TQM and Scanlon plan by joseph Scanlon promoted a philosophy of cooperation among the workers.

Research Findings

Foley and Polanyi,2006 – Industrial democracy –

It increases organizational effectiveness and worker productivity.

Promotes healthy democratic practices at the societal level

Offers an ethical alternative to alienation

It increases the physical and mental health of the workers.

Fred Emery and Einar thorsrud – Norway – If a firm reorganizes to increase worker autonomy, the result is an increase in job satisfaction and job performance.

Since the arrival and dominance of Neo liberal economic policies and government deregulation, interest in Industrial democracy declined in Anglo-saxian countries.

## **2. Labor process theory**

A theory that addresses how workers are controlled through application of rational scientific management techniques and deskilling of work.

## **3. Agency theory**

- A theory that looks at how to ensure that agents act in the best interests of principals (owners, share holders) of an organization

## **4. Contested exchange theory**

The theory that not only do markets allocate capital, they are also disciplinary in that they regulate all aspects of production, credit and risk.

## **5. Cooperativism**

A form of organizing based on an autonomous and voluntary association of people. They are usually democratically run.

The classical theories, behavioural schools of thought all focused on capital managed firms and their management and none of them really studied alternative organisations such as labour managed firms.

Advantages of cooperativism –

- It increases worker control over firm which can lead to social justice in life
- LMFs decrease worker alienation from the means of production
- LMFs are viewed as a mechanism for worker identification with the interest of capital leading to increased economic efficiency.
- LMFs are the basis for economic democracy because the power to control economic decisions stay in the hands of those who do labour
- LMFs are the embodiment of Industrial democracy

## **6. Discourse approaches**

- It tries to understand the role language and discourse play in organizational life.
- It is based on social constructionist approach proposed by
- Discourse theorists study the not just the production and consumption, they also study cultural artifacts, symbols and other visual representations.

- It enables the systemic ways of talking , frames the acceptable ways of thinking and acting.

#### **7. Decision making**

It is making a choice between alternative courses of action or positions.

#### **8. Environmental uncertainty –**

The uncertainty created by external forces and conditions that have an impact on the operation and survival of an organization.

#### **9. Flexibility**

An organisations ability to respond quickly and appropriately to environmental changes , because of redeployable internal structures, systems and work practices.

#### **10. Globalisation –**

An economic, political, technological and cultural phenomenon in which modes of connection between different social contexts or regions become networked across the earths surface as a whole.

#### **11. Alienation**

The estrangement and separation of people from themselves, their actions, society and their surroundings, resulting in a feeling of lack of control.

#### **12. Organizational change**

#### **13. Materiality**

#### **14. Organizational learning**

#### **15. Knowledge management**

#### **16. Technology and organizational structure**