



Industrial Democracy And Participation In Business Management

Endüstriyel Demokrasi Ve Yönetime Katılma

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ABSTRACT

There is a wide range of literature related to the concept of democracy. While democracy as a form of governance primarily is a subject of public administration and political science, in our contemporary society, it is also a branch of some other disciplines such as economics, sociology, education and business administration. From the point of the science of business, democracy is tackled with such concepts as workplace democracy, industrial democracy and organizational democracy. Organizational democracy is the participation of the members of the organization in the process of organization itself, the arrangements in the organization and the decision-making processes. With the democratic management of the organizations the joined decision-making of employees makes it available for the management higher degree of organizational loyalty, job satisfaction increases, and reduction in the turnover and alienation among the employees against the work and the workplace is transcended. The major-principal concern of this study is to handle organizational democracy within the conceptual and theoretical boundaries and to emphasize its importance in the organizational business life.

Key Words: Industrial Democracy, Workplace Democracy, the Intention of Resigning From the Job, Job Satisfaction.

ÖZET

Demokrasi kavramına ilişkin literatür oldukça zengindir. Bir yönetim biçimi olarak demokrasi; ağırlıklı olarak kamu yönetimi ve siyaset biliminin konusu olmakla birlikte günümüzde ekonomi, sosyoloji, eğitim, işletme yönetimi gibi bilim alanlarının da önemli bir konusu haline gelmiştir. İşletme bilimi açısından demokrasi, işyeri demokrasisi, endüstriyel demokrasi ve örgütsel demokrasi gibi kavramlarla ele alınmaktadır. Örgütsel demokrasi; örgüt üyelerinin örgütlenme sürecine, örgütteki düzenlemelere ve karar verme süreçlerine katılmalarıdır. Örgütlerin demokratik yönetimi ile çalışanlar karar alma süreçlerine katılarak daha yüksek düzeyde örgütsel bağlılık sağlanmakta, iş tatminleri artmakta, işgücü devir oranı düşmekte, çalışanların işe ve işletmeye karşı yabancılaşması azalmaktadır. Çalışmanın temel amacı; örgütsel demokrasiyi kavramsal ve kuramsal olarak ele alıp, örgütsel yaşam için önemini ortaya koymaktır.

Anahtar Kelimeler: Endüstriyel Demokrasi, İşyeri Demokrasisi, İşten Ayrılma Niyeti, İş Tatmini

INTRODUCTION

The literature on the concept of democracy is quite rich. Democracy as a form of government; although it is mainly the subject of public administration and political science, it has become an important subject of science fields such as economics, sociology, education, business management. In terms of business science, it is discussed with concepts such as democracy, workplace democracy, industrial democracy and organizational democracy. Organizational democracy; It is the participation of the members of the organization in the organizing process, the organization's regulations and decision-making processes. With the democratic management of organizations, employees participate in decision-making processes, ensuring a higher level of organizational commitment, job satisfaction increases, labor turnover rate decreases, and the alienation of employees from work and business decreases. The main purpose of the study

is; to consider organizational democracy conceptually and theoretically and to reveal its importance for organizational life.

1. DEFINITION OF DEMOCRACY

The word democracy, which comes from Greek, was formed by the combination of the words *demos*, meaning people, and *krasi*, which means power, power and sovereignty. According to Abraham Lincoln (1861-1865), democracy is "the use of political power in the society, for the society, by the society itself" and with this definition, the most general and best known definition is "the self-government of the people" (Sartori, 1996: 36).

1.1. Development of the Concept of Industrial Democracy

The concept of industrial democracy is defined differently by many authors, just like the concept of democracy. Although these definitions have different aspects from each other, they also have common features.

In the second half of the 18th century, the bad working conditions that emerged with the industrial revolution alongside factoryization caused reactions. In such a period, the workers tried to protect their rights with the unions they established, demanded higher wages, improved working conditions and the right to participate. These developments led to the emergence of the concept of industrial democracy.

Industrial democracy or organizational democracy, where superiors and subordinates share administrative power; Participation in decisions on matters of importance, empowerment of employees to perform their duties effectively; they must be freed relative. Organizational democracy is an event where superiors and subordinates think together how to manage the organization, which methods will be used in this management, and how to achieve success (Başaran, 1992: 322).

2. Practical Models of Industrial Democracy

Industrial democracy includes different practices in different countries. Industrial democracy is a broad concept ranging from taking the opinions of the workers to the participation in the land and the self-management of the workers. It includes issues such as union activities, collective bargaining, workplace committees, establishment of workers councils, and presence of worker representatives in the enterprise. It is one of the applications made to increase the efficiency of the employees in terms of management science. When the application forms of industrial democracy in general are examined, it includes the issues of participation in management, participation in profit, co-management and self-management. These application forms will be explained below in titles.

2.1. Participating in Management

Participation in management is defined as giving the opportunity to think, try, evaluate and make mistakes in businesses that produce goods and services, starting from the lowest level employee to the top manager (Paksoy, 2000: 513). It has been developed to serve to create better working environments and improve working conditions (Dinçer and Fidan; 2003: 60). Participating in management; their responsibility is to distribute the economic power by spreading political power and property (Adalı, 1986: 53).

According to Fişek (1977: 45), participation in management is the name of the mechanism that allows workers and employers to cooperate in common organs in the management hierarchy, which assumes relative independence against the parties in order to increase labor productivity by solving common problems in an area whose boundaries are drawn by private ownership. In the definition of Fişek, it deals with participation in management in a more legal dimension. While some authors consider the economic, political, legal, and psychological aspects of participating in management, some authors consider participatory management as taking the opinions of subordinates and making consensus.

By joining the management, businesses realize three important situations. These (Eren, 2006: 361);

1. Participation of the lower management levels and employees of an organization in the decisions on organizational policy and management,

2. The participants should reach a democratic environment where they can satisfy their psychological self-needs with such a type of management,

3. By developing a dialogue and cooperation between the manager (or employer) and the employee, the organization is brought to more realistic and economic decision-making opportunities, in other words, managerial efficiency and productivity. With participatory management, employees are put on more responsibility and their opinions are taken. Employees are not alienated from the business, their motivation and business efficiency increase.

The concepts of participation in government and industrial democracy are sometimes used interchangeably. However, although these two concepts are used interchangeably, it cannot be accepted that they are synonymous (Dicle, 1980: 12). Because industrial democracy encompasses a wide range of areas such as unionization and collective bargaining system, participation in land, joint consultation system, labor and workers 'committees, workers' councils, workers 'having representatives in decision-making bodies, equal representation system and workers' self-management. Participation in management is only one of these types of practice. Industrial democracy is a broader concept that includes participatory governance. Participatory management involves workers' participation in committees, councils and boards at various levels of the organizations in which they work, to a certain extent, by speaking or voting.

2.2. Participation in the Profit

Profit participation is when the employees receive a share of the profit of the business in addition to their wages. As an extension of industrial democracy, it started to be used more intensely by transactions, especially after 1990, within the financial sharing model (Conyon and Freeman, 2001: 33). The reasons why business managers want to apply the profit participation method can be listed as follows:

- To make employees feel that they are more interested in the business,
- Strengthening employees' sense of commitment to the company,
- To improve cooperation between employees and managers,
- To increase productivity,
- To provide group incentives,
- To create a flexible reward system that reflects the economic situation of the business,
- Attracting qualified workers to the business,
- To have the motivation of employees to complete their training on the success of the company (Ogden.1995: 26, Ünsal, 2006: 990).

The disadvantages of applying the profit participation method (Ünsal, 2006: 1002-1003) are:

- Employees cannot properly evaluate the relationship between the performance of the business and their own performance.
- When the profit is shared equally among workers, it becomes difficult to distinguish between hardworking and lazy workers.
- Employees' targeting only profitability may decrease efficiency and quality.
- Managers may be reluctant to give some of the profits to employees.
- Since payments are made annually, long-term goals and targets may be neglected, and short-term goals and targets may come to the fore, often profits are realized outside the control of company employees.

2.3. Joint Management

Employer and employee representatives in the business have the right to make decisions at the highest levels of management. Co-management will enable workers to attain creativity and entrepreneurial power at all stages of manufacturing, albeit at their limits. Work is broadened and enriched from the foundation, and sometimes, by establishing work teams, employees are given the right to choose their goals, best methods and means (Adalı, 1986: 127). Co-management is a participatory management model that has developed especially in Germany. In Germany, joint management is examined at three different levels (Dicle, 1980: 146-155):

1. Supervisory Board: Appoints and supervises the executive boards. In some special cases, it may call the shareholders to a meeting. The supervisory board does not usually interfere with the day-to-day management of the operator. The Board convenes at time intervals (such as every three months) when it is decided.

2. Board of Directors: It consists of managers appointed by the supervisory board. Board of directors have at least one worker member. One of them is the employee manager, and the employee managers are responsible for the wages and salaries of the workers and other employees and the management of organizational problems.

3. Workers Councils: It is the body that represents all workers in the workplace. Every enterprise employing more than five workers must have a workers council. Workplace councils work hours, overtime, rest breaks, vocational training, workplace safety and worker health, vacation, premiums, salary and wage payments and performance appraisal, etc. They have the authority to decide on matters and to manage them together.

2.4. Self-management

Self-management is the ability of business employees to perform the management task themselves. Self-management is the execution of management by the employee, beyond participation in management. It is the democratic management of the business by the workers.

Self-government was created in Yugoslavia after World War II, around committees and works councils that were created to run the economy during the war. Basic idea of self-management; the transfer of responsibilities and authority to workers is the state's practice of central control and planning. Participation in this system is direct participation and individual participation to meetings with all employees as part of the discussion and decision-making processes. Participation takes place either directly through referendum where all employees have voting rights, or indirectly through works councils. Business councils represent the highest authority in businesses (Seçer, 2009: 25). The self-management model in Yugoslavia covers institutions at all levels beyond just economic producers.

In Yugoslavia, self-management is not only a management that concerns business management, but a model that claims to eliminate the manager-managed distinction in all parts and levels of social life (Ünsal, 2006: 37). In the self-management application model, an employee working in the enterprise is also the manager of that enterprise.

3. INDUSTRIAL DEMOCRACY AND PARTICIPATION IN MANAGEMENT

In Turkey's laws, it is seen at the level of participation of trade unions represented by way of industrial democracies. It come across the following key points with regard to industrial democracy in Turkey:

1. Occupational Health and Safety Regulation: According to the 4th article of the Regulation, workplaces employing at least 50 workers have required the establishment of an occupational health and safety board, provided that permanent works are performed for more than six months. This board is established with the participation of a person to be elected by the union representatives among themselves if there is a union in the workplace, and an employee to be elected by open vote at the meeting where more than half of the workers in the workplace will attend. The Board is responsible for preparing an occupational

health and safety internal regulation, guiding employees on occupational health and safety issues, evaluating the dangers and precautions that may occur in the workplace, determining the measures, and notifying the employer or his representative.

2. Annual Paid Leave Regulation: A board is formed with the participation of two worker representatives in workplaces with more than one hundred workers. This committee is responsible for preparing the permits, examining the requests and complaints of the workers regarding their annual leave rights, and reporting the results to the employer and the relevant worker, taking into account the seniority of the workers, the smooth running of the work and the number of workers. If there are representatives here, if there are workplace union representatives, they will be the person elected as a result of open voting with the participation of workers, equal to at least one more than half of the number of workers.

3. Regulation on Organization and Working Principles of the Board Authorized to Use Fines Deducted in Worker Wages: In Article 5 of the related law, it is stated that two worker representatives elected by the board of directors of the employee confederation with the highest number of members representing the workers' side will take part in this board.

4. Collective Dismissal: According to Article 29 of the Labor Law, when the employer wants to dismiss collective workers as a result of the economic, technological, structural and similar business, workplace or job requirements, it shall be sent to the workplace union representatives in a letter at least thirty days in advance to inform the Directorate and Turkey Business Association. Businesses are also required to notify the workplace representative 30 days in advance in collective dismissals.

5. Tripartite Advisory Board: Although participation in employee-employer relations comes to mind first when it comes to industrial democracy, in fact, the concept can be considered more broadly and the state can be considered as strengthening the country's economy by improving relations between employers and workers. In our country, this definition appears with a triple advisory board.

In accordance with Article 4 of the Regulation on Working Procedures and Principles of the tripartite advisory board on working life, the Tripartite Advisory Board is chaired by the Minister of Labor and Social Security or its Undersecretary,

a- According to the agenda topics, one of the unit chiefs of the Ministry, affiliated and related institutions,

b- One each from the trade union confederations and three representatives from the employers' confederation with the most members,

c- It consists of one representative each from the confederations of public servants.

The duties of the Board are listed in Article 5 as follows:

- Contributing to the formation of policies related to working life, to carry out studies to strengthen consensus and cooperation between the Parties, to monitor the legislative works and practices related to working life, to form opinions on new legislation and legislative changes,

- To ensure effective consultation, information and communication between the parties in participating in conferences and activities of the International Labor Organization,

- To work in accordance with the provisions of the Contract No. 144 on Tripartite Consultation in the development of the implementation of international labor norms,

- To ensure effective consultation, information and communication between the parties in order to comply with the national legislation and the working life of the European Union acquis,

- Establishing commissions when needed, determining their members, discussing reports,

- To recommend to the parties to hold seminars and meetings at national and international level, to send representatives to meetings deemed appropriate,
- Proposing the parties to conduct research in areas related to the development of labor peace and industrial relations.

6. Minimum Wage Commission: Labor Law Article 39 according to the Minimum Wage Commission, Labor and chaired by one of the members to be determined by the Social Security Ministry of Labor and Social Security Ministry of Labor Director General or his deputy, Occupational Health and Safety Director-General or his deputy, Turkey Statistical Institute, Economic The head of the Department of Statistics or his deputy is composed of the representative of the Under secretariat of Treasury, the head of the relevant department from the Under secretariat of the State Planning Organization or an official to be authorized, and the five representatives from the highest employee organization for different sectors. There are union representatives representing the worker in the minimum wage commission.

7. Workplace Representation: While the workplace union representation system has been maintained since 1963, in 1992 ILO convention No. 135 “on the protection of workers' representatives in enterprises and the facilities to be provided to them” was approved and it became a legal provision in accordance with Article 90 of our Constitution. The developments were not limited to this, but continued with the enactment of Law No. 4773, known as the Job Security Law in 2002. The employer concerned Regional Directorate and Turkey Business Association from at least another thirty days to notify these shop stewards or workers 'representatives with a pre-writing state into collective dismissals in this law, interviewing them and a new regulation will be elected by workers in workplaces where there are so union representatives is brought workers' representatives The provisions of his duty were included. The regulations in this way, which are also accepted in the draft Labor Law numbered 4857, have not been included in the Labor Law. In the face of this situation, the principle of discussing the issue of collective dismissal with the representatives is limited to the workplaces where the workplace union representatives are present (Çelik, 2006: 409).

8. Workplace Union Representative: Workplace union representative; Listening to the requests of all unionized and non-unionized workers in the workplace, seeking solutions for their complaints, trying to maintain the work harmony between the employee and the employer, taking care of the rights and interests of the workers, stipulated by labor laws and collective bargaining agreements. He is the person who assists in the implementation of the working conditions and tries to represent the union as the representative of the union that appointed him and to bring new members to the union (Unions Law 34th. art.). The workplace union representative may also have duties arising from the collective labor agreement together with the above regulations and laws.

CONCLUSION AND GENERAL EVALUATION

Turkey's participation in trade unions and representative level of participation in democracy considering the industrial application. Turkey is clearly not uncommon outside involvement in trade union laws industrial democracies. The laws support participation through trade unions. Apart from union activities, there is no regulation in the laws regarding the participation of workers in management in enterprises. In addition, we can say that there is no union activity in many enterprises in our country and there are differences in the calculations of unionization rates. Along with these, it is seen that unionization rates are gradually decreasing with the effects of globalization. In addition to all these developments, if the business managers wish, total quality management to support voluntary participation and participation, quality circles, management according to objectives, etc. They can apply management models. When examined the academic studies in our country, we see that there is a limited number of researches in areas such as industrial democracy, participation in management and organizational democracy. In developed countries, the intensity of academic studies on organizational democracy draws attention.

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