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The Share of Production Workers Involved in Decision Making

This paper identifies changes taking place in the production sphere of companies that are the result of technical–technological transformation as well as the application of modern management solutions. It is against this background that questions of production worker participation in decision making processes is considered. Attention is focused on the direct type of such participation—i.e. direct participation. At the same time, reference is made to the social policy assumptions of the European Union as well as the results of empirical research conducted on manufacturing companies operating in Lower Silesia.

Introduction

Changing circumstances in the operation of companies continue to put new challenges before contemporary production units. Looking at these challenges in categories of rapid response to signals flowing from the near and distant surroundings, the ability to meet customer expectations must be considered of particular importance. This especially applies to the delivery to customers of products that are of high quality, within a short period of time, at low prices, and that simultaneously take into account their needs.

Realization of these requirements is fostered by improvements in technical and technological production conditions coupled with increased automation of manufacturing processes, the multi–functionality of technical systems, and flexibility in the production sphere [Cierniak–Emerych, 2006].

At the same time, an approach to management tied with effort to eliminate waste is important, including in this area. This is linked to the implementation of “lean management” (“lean production”) and “kaizen,” which facilitate teamwork and expansion of worker participation in decision processes.

The source of success of contemporary companies, including manufacturing units,

should be primarily sought in the relevant qualities of human potential as well as in the behavior of internal stakeholders. The importance of involvement grows in line with collaboration between the managerial staff and production workers. C. Handy [1998] points to assembling an appropriate, new system of interdependence in order to stimulate enthusiasm and partnership in building a common organizational vision. This necessitates the inclusion of workers into the decision making processes at what is known as the shop level, thanks to which the individual worker–contractor can become a co–decision maker in the process of shaping defined spheres of the functioning of the company.

This is reflected in the implementation of the idea of worker participation understood as a “complex of resources at the disposal of workers for influencing decisions taken by the company or benefits from financial surplus generated by them” [Weiss, 1978]. This influencing of decisions may occur directly through worker collaboration and their cooperation with the management, or indirectly through representatives functioning within the framework of trade unions, supervisory boards, works councils, etc.

Increasing workers’ ability to undertake creative initiatives and “equipping” employees—including production workers—in the right to information and consultation in economic and social matters are among the priorities of European Union social policy tasks as well as being an obligatory standard in units operating on the uniform European market.

An attempt has been made to demonstrate changes in the production sphere in the case of the activities of eleven manufacturing companies in Lower Silesia, where such changes are the result of technical and technological transformation, improved flexibility of the production sphere, and the application of new management solutions, from the perspective of production worker participation in decision making processes. These changes are examined against a background of the assumptions behind European Union social policy, with reference to worker participation in the management process, simultaneously showing their importance in shaping direct participation. Own observations as well as informal interviews with both the management and production workers took on significant importance in identifying demonstrated changes occurring over the years 2005–2006.

Transformations in the Production Sphere and Requirements with Respect to Production Workers

Companies as social–technical systems are subject to continuous change. These changes touch upon the various spheres of their functioning. Organizations concerned with the performance of simple manual or manual–machine work, dominant in the past, are turning into units applying modern technologies and increasingly utilizing computer assisted

manufacturing systems in their operations. Automation and information technology are radically decreasing the expenditure of physical labor. In its place, work requiring increased mental effort is making an appearance [Haus, 2004]. Computer networks, the Internet, intranet, cellular telephones, and videoconferencing are being used for communications.

In line with the development of production systems, what we are dealing with in practice is an increasingly broad scope of application of digitally controlled machines, computer assisted manufacturing systems, all the way to structures referred to as flexible production systems. This is visible in defined combinations of computers controlling each and every equipment component so several individual machining tools are under the control of a central computer. That computer can coordinate specific operations, establish the best possible production schedule, and control the flow of materials within an automated transportation system [Waters, 2004].

Flexibility in the production sphere is often seen as early as the design process for new products and the selection of production means in terms of realization of customer expectations. Conditions fostering rapid and effective reaction to breakdowns and short-term disruptions in production as well as various production runs are what is created thanks to the utilization of modern, easily converted, computer assisted machines, where no significant changes in production costs are incurred.

Increased flexibility of production systems, mainly through production automation, creates a system that is different from the conventional scope of tasks and operations performed by the worker. As has already been demonstrated, the share of direct production work, coupled with the physical performance of production work, is falling. In this case, typical operations and tasks performed by an employee involve “servicing the manufacturing process”—i.e. its planning, supervision, tool settings, and maintenance–repair activities. At the same time, multi-stand servicing of equipment, in conjunction with a preference for group and/or team work organization is growing in importance.

The structure of tasks performed by workers in the production sphere is changing. New types of work is making its appearance, work that requires specific competencies. The evolution of the contents of work towards the performance of jobs of a supervisory–monitoring–control character necessitates initiative and skill in taking on risk related to the solving of problems cropping up as well as the taking of appropriate decisions. At this point it is proving necessary to have knowledge relating to the course of the production process as well as sufficient know-how in information technology, electronics, and the structure of production machines. Potential work candidates should demonstrate a more interdisciplinary preparedness than has been the case to date. Workers employed in production systems are expected to be skilled in receiving and processing information as well as have a capacity to make quick and appropriate decisions, including the

ability to assess the decision's consequences for the whole of the system and its surroundings [Jasiński, 2004].

The quest for ways to satisfy the customer, considered one of the prime challenges facing contemporary companies, also requires the elimination or at least decreasing of losses and “unnecessary” waste within the framework of the production system for which “the customer does not want to pay.” Among possible efforts, those that tie in to “lean management” (“lean production”) are growing in popularity. Such a concept prefers decentralized responsibility and competencies in connection with the decentralization of information systems and self-control. What are forming are small, flexible organizational units based on team structures. Thus, access to information is increasing and its amassing in appropriate form is taking place where it can be of help in improving the work process. This fosters accurate decisions, including those taken on a level of a one-man work station.

Growth in requirements placed before contemporary workers by employers relating to knowledge and skills is generating a new type of production sphere worker. At the same time, expectations of the employees themselves are growing with respect to conditions of work performance and its related satisfaction. The results of their work is, to a large extent, influenced by having at their disposal appropriate sets of information, important for making proper choices. This necessitates increased participation of production workers in the production sphere decision process.

Worker Participation in the Production Sphere: The Company Operations Practice Perspective

Empirical research has demonstrated varied interest on the part of the management of economic entities for including production workers in decision making processes. Although true that all eleven of the investigated companies stressed that this matter is considered important, only four—those with the participation of foreign capital—assessed the “top-bottom” flow of information as positive and showed evidence of worker participation. Transformations in the production sphere in those units were accompanied by the implementation of the concept of “lean management” and “kaizen.”

The application of the principles of the “lean” concept was seen in a company making up a part of a corporation whose head office is outside of Poland. It found expression in actions whose result was the reorganization of the production process, witnessed by the creation of teams working in what are known as “nests.” This was accompanied by changes in the flow of information as well as in requirements facing production sphere workers. Each and every production nest has a bulletin board with information concerning the current level, rate, and delays in performing designated tasks. Bulletin boards accessible by all workers began to contain information pertaining to the personnel sphere,

in addition to that concerning the current financial standing of the company. This information primarily involved announcements regarding vacant positions, in-house recruitment conditions, topics and deadlines of training for specific employees, and criteria as well as frequency of periodic worker assessments.

At the same time, expectations with respect to employees in connection with their activeness in identifying and eliminating sources of losses occurring during performance of the production process, especially within the framework of the nests, grew. It was assumed that this should be facilitated by expanding production worker access to relevant and needed information as well as the successive application of training so as to raise satisfaction related to work performance. Worker activity made its appearance in co-participation in shaping working conditions, especially its material aspects, through improvements in the ergonomic parameters of those conditions. An example of this may be the application, at the request of workers, of a special type of mat over which employees performing their production nest-related tasks moved. The “shock absorbing” qualities of these mats means that a person performing standing work for several hours does not strain his back and there is a related improvement in work comfort.

The first effect of expanding worker participation in shaping the production sphere found its reflection in a decrease in stocks for production in the pipeline, a decrease in the time needed to make a single product, and an improvement in the quality of production.

The successive three companies with the participation of foreign capital underwent technical changes in the manufacturing sphere in connection with the propagation of the concept of “kaizen,” developing appropriate “mechanisms” fostering the expansion of production sphere worker interest in taking part in the management process. This found its expression in applying idea systems, also known as suggestion systems or loss elimination scenarios. Their essence is combined with equipping production workers with the right to forward ideas for changes to current production process organization, including work organization, at any time. Worker proposals can also relate to changes in the area of material working conditions, as well as the selection of form of work organization. Submitted ideas for improvements are subjected to verification by specially appointed services. A positive assessment means implementation.

The idea system became something of a catalyst in the production spheres of the examined units. Workers, the co-creators, undertake defined challenges with increasing enthusiasm, simultaneously declaring co-responsibility for their implementation.

In the remaining economic entities, those functioning on a foundation of Polish capital, production workers pointed to information and consultations with reference to direct participation. At the same time, they made the reservation that the character of such participation was essentially that of a “campaign.” Information and even consultations mainly took place in crisis situations—e.g. when it is necessary to tell workers bad news

relating to reductions in employment or restrictions on remuneration. At the same time, production sphere workers pointed to the validity of expanded consultations and allowing them to co-decide in matters primarily linked with establishing the level and structure of remuneration. However, it may be stated that the application of direct participation means that the employee-worker, subject to command-based rigors, transforms into a co-deciding entity [Wratny, 2002].

This last group of companies, in contrast to those with the participation of foreign capital, does not note the application of “lean” and “kaizen” concepts, which fosters the “launching” of direct participation. Ailments present in this regard in Polish companies are multiplied by organizational culture. Its qualities continue to be tied to preferences for plan performance, where minimizing outlay is often at the expense of the social sphere, making reference to a short time horizon, and is poorly aligned for change, applying greater weight to collaboration with outsiders rather than stimulating innovative and collaborative stances on the part of employees as well as neglecting the building of trust in the company.

European Union programs put increasing weight on the development of worker participation in decision processes. The matter of participation is most broadly taken up in Directive No. 2002/14 of March 11, 2002 establishing a general framework for informing and consulting employees in the European Community.¹ However, it refers to indirect participation, assigning the right to participation to the representatives of “grouped” workers—workers in works councils.² The privileges of these councils take on the form of the right to receive information and to participate in consultations regarding operations and the company’s economic situation, as well as employment and work organization.

It may be assumed that the weak reference of European Union legislation to direct participation as discussed here is related to its specific “material,” which resists any detailed regulations. Nevertheless, the development of this form of participation is propagated and supported by the governments of specific countries and sometimes even trade union organizations [Juchnowicz, 2005]. It also finds its reflection in European Union social action programs [Głąbicka, 1998].

1 Directive No. 2002/14 of March 11, 2002 establishes a general framework of conditions for providing information and conducting consultations with workers in the European Union, European Community Official Journal L 80 of March 23, 2003, p. 29; in specific situations, it is also necessary to note the directive on European works councils (1994/45/EC, amended by Directive 1997/74/EC) as well as the directive supplementing the Statute for a European company with regard to the involvement of employees in its functioning (2001/86/EC).

2 In Polish economic reality, works councils pursuant to the Act of April 7, 2006 on informing employees and conducting consultations with them (Journal of Laws No. 79, item 550 of May 10, 2006) have been established starting with the year 2006.

Conclusion

The changes taking place in the realm of production systems in connection with transformations in production techniques and technologies as well as in the applied management methods call attention to workers in the context of the role they should play in the company's decision making system.

As demonstrated by empirical studies, the functioning of an economic entity within the framework of the European Union, whose social policies and specific legislation foster worker participation, provides too little support for the development of direct participation. A favorable role in this regard is played by the application of modern solutions in the realm of management in connection with the concepts of "lean" and "kaizen."

In Polish units, where a traditional approach to management is still dominant, the effective propagation of the idea behind such participation is justified, with its simultaneous support by appropriate government, worker organization, and trade union action. Identified initiatives linked with allowing production sphere workers access to decision making processes bear fruit in specific benefits for companies, while at the same time being an expression of a human orientation, preferred within the framework of European Union policy.

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