

# Dissatisfaction adversely affecting Productivity: Grievances

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## ABSTRACT

*The subject matter of personnel management is human and human behavior which differs from man to man. Being the owner of feelings it is very obvious that feeling of discontentment or dissatisfaction may arise at some point of time during working life of an individual. The persons working in a group cannot be fully satisfied in all respects. The management also cannot satisfy feelings and ego of all its employees. It is, therefore, but natural that workers have grievances against his immediate supervisor or against the management as a whole or against the systems and practices which are followed in the organization. The major disputes may be handed over to the statutory machinery set up under the Industrial Dispute Act, 1947 but minor disputes or grievances cannot be referred to the statutory machinery and must be settled by negotiations or by establishing a grievance procedure so that the industrial relations should not be embittered.*

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## 1. Introduction

Modern industrialization is not an unmixed blessing. Seeds of discords were sown between owners and workers long back by Bolshevik Revolution and writings of socialistic thinkers like Engels and Karl Marx. It has tended to create a yawning gulf between management and employee because of absence of workers' ownership over the means of production. The present large scale enterprise results in the concentration of economic power compelling the workers to realize the truth of the often mentioned phrase "united we stand divided we fall". It gave an incentive to workers as to realize the significance of freedom of association and collective bargaining to protect their legitimate rights and interests. On the other hand employers suppress the demands of the workers. This has led to labour unrest and friction between the interest of employer and employees.

Industrial unrest reflects "the failure of basic human urges a motivation to secure adequate satisfaction or expression which ultimately burst forth in the form of industrial dispute". Strikes, lockouts, go slow tactics, increased absenteeism and labour turnover are some of the reflections of labour unrest which require proper diagnosis for creating conditions for industrial peace and prosperity. Industrial unrest is sympathetic to a disease that demands cure and prevention rather than suppression. Better production and distribution is possible only in the atmosphere of peace and industrial discipline to realize the social justice and welfare of masses. If social justice is to be achieved, harmonious relationship between management and employees is a must.

## 2. Definition & Types of Disputes

Industrial Dispute is defined by Section 2(k) of the Industrial Dispute act 1947 as "any dispute or difference between employers and employees or between employees and workmen or between workmen and workmen which is connected the employment or unemployment or the terms of employment or with the conditions of labour of any person."

There are two kinds of industrial disputes, according to the Code of IR introduced in UK in 1972, viz. Dispute of interests & Dispute of rights.

### 2.1 Dispute of interests:

This relates to disputes arising out of terms and conditions of employment either as per claims made by employees or proposals made by employers. For example layoffs, wages bonus claim, etc.

### 2.2 Dispute of rights:

These are the disputes arising out of application or interpretation of existing agreement or contract. For example fairness of standing orders, denial of awards, nonpayment of allowances, etc.

## 3. Causes of Disputes

The causes of industrial disputes may be grouped in four broad categories:

### 3.1 Industrial Factors:

These are factors relating to employment, work, wages, hours of work, privileges, and conditions of employment and obligation of employees. Other factors are attitude of workers, increasing prices and demand for increase in dearness allowance.

### 3.2 Management's attitude towards workers:

It includes disinterest of management to discuss with workers, management's unwillingness to recognize a particular trade union and not involving the workers in decision making.

### 3.3 Role of Government Machinery:

Government machinery leads to disputes when it is not successful in implementing labour laws, inability of conciliation machinery to do its job and employees and managements loss of confidence in that and irrelevance of certain provisions of labour laws and role in the context of challenges of present industrial climate and imperatives of development due to competitive environment.

### 3.4 Other Causes:

These are the factors like affiliation of trade unions with political parties, political leadership thereby bringing pressures for accepting their demands, political instability and poor centre-state relation contribute to industrial disputes.

*The causes of disputes can also be studied as under:*

- **Economic causes** — wages, salaries, profit, etc.
- **Social causes** — low morale, corruption, pollution mounting, unemployment, etc.
- **Political causes** — political rivalry, instability in government, etc.
- **Technical causes** — fear of loss of job on computerization, unsuitable technology, etc.
- **Psychological causes** — loss of job, propaganda, instigation, etc.
- **Market causes** — competition, loss, recession, etc.
- **Legal causes** — court orders of closing down factories / shifting, etc.

Many of the causes mentioned above are macro level causes on which management has little control. At micro level, the quality of relationship between management and workers matters a lot in causing as well as in diffusing industrial conflicts. This may be termed as 'Attitudinal Causes'. Management attitude towards workers and workers attitude towards management matters a lot for achieving and maintaining industrial peace.

### 4. Nature of disputes

Disputes can be manifested in many forms. Some of these are given below:

#### 4.1 Disputes originated by unions:

Non cooperation, Arguments and quarrelsome behavior, Hostility and irritations, Stress, strain and anxiety, unwillingness to negotiate or participate in discussions, Resentment or withdrawals, Absenteeism, alcoholism or accidents, Work to rule / go slow tactics, Strikes.

#### 4.2 Disputes Originated by Management:

Refusal to discuss or negotiate Public hostility and insult, Suspension, Demotion, Termination, Layoffs, Lockouts.

### 5. Machinery for Prevention and Settlement of Industrial Disputes

Since independence, Government paid attention for the prevention and settlement of disputes and passed the Industrial Disputes Act 1947 which was amended several times.

#### 5.1 Machinery for Prevention of Industrial Disputes:

Prevention is better than cure is the principle for the establishment of machinery for prevention of industrial disputes before they arise. Various provisions incorporated in the act for preventing the disputes are:

- (i) Establishment of works committees (ii) Wage Boards (iii) Collective Bargaining (iv) Industrial truce resolution (v) Standing orders (vi) Joint management councils (vii) Code of discipline and of efficiency (viii) Suggestion System (ix) Voluntary Arbitration (x) *Grievances procedures*.

These provisions are on voluntary basis and there is no compulsion on employers to implement these measures. The main purpose of such measures is to prevent the disputes before they arise.

#### 5.2 Machinery for Settlement of Industrial Disputes:

If dispute could not be prevented on voluntary basis and do arise, the Industrial Dispute Act, 1947 as amended in 1982 provides several provisions for settling the industrial disputes. Such provisions are (i) Establishment of Works Committees (ii) Grievance Settlement Authority (iii) Conciliation Officer (iv) Conciliation Board (v) Court of Inquiry (vi) Labour Courts (vii) Industrial Tribunals (viii) National Tribunal

### 6. Grievance & Its Definition

Grievance is a feeling of discontentment or dissatisfaction among workers regarding anything concerned with the organization. Grievance may be felt by any party (employer or employee) against the other party. According to Dale S. Beach, "Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management". Richard P. Calhoon defines "a grievance as anything that an employee thinks or feels is wrong, generally accompanied by an activity disturbing feeling". The views in this connection have been well expressed by Michael J. Jucius as "Any discontent or dissatisfaction, whether expressed or not and whether valid or not, arising out of anything connected with the company that an employee thinks, believes or even feels, is unfair, unjust or inequitable". This definition of the Grievance is very broad and covers dissatisfactions which have the following characteristics:

#### 6.1 The discontent must arise out of something connected with the company.

Workers may be dissatisfied because of several reasons, e.g., illness in the family, quarrel with the neighbor, disliking for the political party in power, and so on. Such outside sources are beyond the control of the company and, therefore, do not constitute a grievance.

#### 6.2 The discontent may be expressed or implied.

Expressed grievances are comparatively easy to recognize and are manifested in several ways, e.g. gossiping, jealousy, active criticism, argumentation, increased labour turnover, carelessness in the use of tools and materials, untidy housekeeping, poor workmanship, etc. unexpressed grievances are indicated by indifference to work, daydreaming, absenteeism, tardiness. It is not wise to recognize only expressed grievances and overlook the unexpressed ones. In fact, unexpressed or implied grievances are more dangerous than the expressed ones because it is not known when they may explode. Hence, the executive should develop a seventh sense for anticipating grievances.

#### 6.3 The discontent may be valid, legitimate and rational or untrue and irrational or completely ludicrous.

The point is that when a grievance is held by an employee comes to the notice of the management it could not usually dismiss as irrational or untrue. Such grievances also have to be attended to by the management in the same way

as rational grievances. We should know a large part of our behavior is irrational. This may be largely due to our distorted perception. Emotional grievances which are based upon sentiments like love, hatred, anger, fear, envy, etc, misconceptions and lack of thinking are examples of our irrational behavior and these grievances are the most difficult to handle.

**7. Nature of Grievance**

A grievance may be submitted by a worker in respect of any measure or situation which directly affects, or is likely to affect the conditions of employment of one or several workers in the organization where the grievance is transformed into a general claim---either by the union or by a large number of workers---it falls outside the grievance procedure and normally comes under the purview of collective bargaining. From a study conducted it was found that the causes of employee grievance are – Promotions, Amenities, Continuity of service, Compensation, Disciplinary action, Fines, Increments, Leave, Medical benefits, Nature of job, Payment, Recovery of dues, Acting promotion, Transfer, Safety appliances, Superannuation, Supersession, Victimization, Conditions of work.

The Indian Labour Organization (ILO) classifies a grievance as a complaint of one or more workers with respect to wages and allowances, conditions of work and interpretation of service stipulation, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service. The National Council of Labour (NCL) states that “complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignments and discharges would constitute grievances”.

**8. Causes of Grievance**

The causes of grievances may be broadly classified in the following categories:

**8.1 Grievances resulting from working conditions:**

Improper matching of the worker with the job, Changes in schedules or procedures, Non availability of proper tools, machines and equipments for doing the job, Tight production standards, Bad physical conditions of work place, Poor relationship with the supervisor, Failure to maintain proper discipline.

**8.2 Grievances resulting from management policy.**

Wages payment and job rates, Leave, Overtime, Seniority, Transfer, Promotion, demotion and discharges, Lack of career planning and employee development plan, Hostility towards a labour union.

**8.3 Grievances resulting from alleged violation of:**

The collective bargaining agreement, Central or state laws, past practice, Company rules, Management’s responsibility.

**8.4 Grievances resulting from personal maladjustment:**

Over ambition, Excessive self esteem, Impractical attitude to life, etc.

The causes of grievance can also be well studied under the following headings as grievances related to:

- **Pay** - Wage inequalities, Payment system, Complicated compensation system, Problem relating to calculation of incentives and overtime, Fines, Increments, Stagnation, Recovery of dues
- **Work Assignment** - Job classification, Seniority, Promotions, Transfers, Nature of job, Additional responsibilities, Workload, Supersession, Continuity of service
- **Working / Service Conditions** - Physical conditions of work, Sanitary and health facilities, Safety appliances, Medical benefits, Leave, Canteen, Recreation, Housing, Transport, Complicated rules or regulation
- **Managerial Practices** - Harsh supervision, Rigid enforcement of discipline, Discrimination, Victimization, Ignoring suggestions from employees, Distribution of overtime, Authoritarian managerial style, Breaking promises

**9. Classification of Grievances on the basis of its Causes**

Classification	Causes
Wage grievance	(a) Demand for individual wage adjustment. (b) Complaint about job classification. (c) Complaint about incentive system.
Supervision	(a) Complaint against discipline. (b) Complaint against behavior of supervision. (c) Objection to the method of supervision.
Working conditions	(a) Safety and health. (b) Violation of rules and regulation.
Seniority, promotion and transfers	(a) Loss of seniority. (b) Promotion denial or delay. (c) Transfer or change or shift.
Discipline	(a) Discharge / dismissal / layoff. (b) Alcoholism, absenteeism. (c) Harshness of punishments.
Collective bargaining	(a) Violation of contract / award agreement. (b) Interpretation of contract / award / agreement.
Union management Relations	(a) Recognition of union. (b) Harassment of union office bearers. (c) Soldiering / go slow tactics.

The analysis of causes and classification of grievances results in identifying three root causes viz. Organizational aspect, Informational aspect and Human aspect of grievances. Organizational aspects consist of organizational structure policy, plans and procedures. Informational aspects consists of ignorance on company rules, regulations, promotion policies, career aspects, transferability, etc. and Human aspects cover a variety of reasons like poor mental health conditions. All these causes are to be investigated for the two objectives viz. redressal of grievances of the aggrieved & initiate remedial steps to prevent recurrence of similar grievances in future.

**10. Indices of Grievance**

Decline in production/output (other factors remaining same), Change in an individual’s work habit and approach to

the job itself, Absenteeism, Accidents, Request for transfer, Number of disciplinary cases and separation or quits.

For any management identification of the causes of grievance is very imperative since redressal is possible only thereafter. For concerned managers, the only way to find out causes is to talk to employees whenever the slightest signs of unusual behavior are detected. Discussions with individual employees can be followed up with discussions with colleagues, junior managers or supervisors who work very closely with workers and even with union leaders if the problem appears to be widespread or persistent. For organizations where grievances keep growing or where there have been trends of increasing grievances, grievance analysis is imperative. Such an analysis will involve - Recording of all grievances over a period of time, Identifying either particular time periods during which they have been observed to increase or Identifying the location, department or section where grievances are acute.

### 11. Principles of Redressal of Grievances

To be effective & efficient the Principles of redressal of grievances are:

#### 11.1 Conformity with National Policy:

There are statutory provisions and existing regulations based on legislation to protect the interest of workers and to improve the industrial climate and productivity. The procedure devised by each organization must be in conformity with such legislation.

#### 11.2 Simple, Fair and Easy to Understand:

As far as possible the procedures and formalities connected with grievance settlement must be simple, fair and easy to understand to all persons and employees.

#### 11.3 Expeditious Proceedings:

Expedition proceedings include settlement of grievances at the lowest level itself. Not to allow grievance to cross more than two levels. Referring grievances for settlement at appropriate level. At every level time must be fixed for reply/redressal.

#### 11.4 Designation Of Authority:

The authority to which the aggrieved employee must approach be clearly laid down and adequate publicity for the same is given.

#### 11.5 Gain Employee Confidence:

Confidence of employees is very essential for amicable settlement of dissatisfaction leading to compliant. Feeling of fairness and equity improve the confidence of employees. Their problems should be settled to gain their maximum confidence like to solve - problems related to housing and accommodation, medical treatment, leave, retirement, transfer & problems of financial nature.

### 12. Grievance Handling Procedure

A well defined grievance handling procedure is another element of sound industrial relations machinery. Prompt and effective disposal of employee grievance is the key to

industrial peace. There is no legislative provision for a well defined and adequate grievance procedure. In the absence of a satisfactory procedure for handling them, day to day grievances will accumulate with the consequent risk of their degenerating into disputes. There are two procedures of grievance handling:

#### 12.1 Common Procedure

Clause 15 of model standing orders provides that "all complaints arising out of employment shall be submitted to the manager or the other persons specified in this behalf with the right of appeal to the employer". The usual, common and informal procedure is the first to approach the immediate supervisor (first line supervisor) for the grievance and failing to get a satisfactory answer. The second step is to go directly to the departmental head or personnel relation officer in the personnel department. If the employee is not satisfied here also, he should approach the top executive, i.e. general manager or the managing director but this is rarely resorted to.

Some companies provide that if the complainant remains unsatisfied from the response of the general manager the grievance should be referred to the arbitration or Joint Grievance Committee consisting of the representatives of both the parties. Its decision should be final.

#### 12.2 Model Grievance Procedure

The draft Model Grievance Procedure accepted by the labour conference in 1958 is as follows:

**12.2.1** An aggrieved employee shall present his grievance verbally in person to the officer designated by the management for this purpose. This response shall be given by the officer within 48 hours of the presentation of the complaint. If the worker is not satisfied with the decision of the officer or fails to receive the answer within 48 hours he will, either in person or accompanied by his departmental head, present his grievance to the head of the department.

**12.2.2** The head of the department shall give his answer within 3 days or if action cannot be taken within this period, the reason for delay should be recorded. If the worker is dissatisfied with the decision of the departmental head, he may request that his grievance be forwarded to the Grievance Committee.

**12.2.3** The grievance committee shall make its recommendations to the manager within 7 days of the employees request. If decision cannot be given within this period, reason should be recorded. Unanimous decision of the committee shall be implemented by the management. If there is difference of opinion among the members of the committee, the matter shall be referred to the manager along with the views of the members and the relevant papers for final decision.

**12.2.4** In either case, the final decision of the manager shall be communicated to the employee within three days from the receipt of the Grievance Committees recommendations.

**12.2.5** If the worker is not satisfied even with the final decision of the manager, he may have the right to appeal to the manager for revision. In making these appeals he make take a union official with him to facilitate discussion with the management. The management will communicate the decision within 7 days of employees' revision petition.

**12.2.6** If the employee is still not satisfied the matter may be referred to voluntary arbitration.

**12.2.7** Where a employee has taken a grievance for redressal under the grievance procedure, the formal conciliation machinery shall not intervene till all steps in the procedure have exhausted. A grievance shall be presumed to assume the form of a dispute only when the final decision of top management is turned down by the employee.

it thinks proper, in the procedure with the consent of the employee or trade union.

**12.3 Grievance Settlement Authority**

Industrial disputes (Amendment) Act 1982 has provided for the setting up of a grievance settlement authority. Any employer of any industrial establishment employing fifty or more employees is required to provide for a grievance settlement authority for settlement of industrial disputes connected with an individual employee, where such disputes arise, the employee or the trade union of which he is a member, may in the manner prescribed , refer the dispute to such authority for settlement. Any reference so made to the authority, shall not be referred to Conciliation Board, Labour Court, Industrial or National Court unless it has been decided and the decision of the authority is not acceptable to one of the parties to the dispute.

This is the model procedure of grievance handling. The organisation may make the necessary amendments wherever

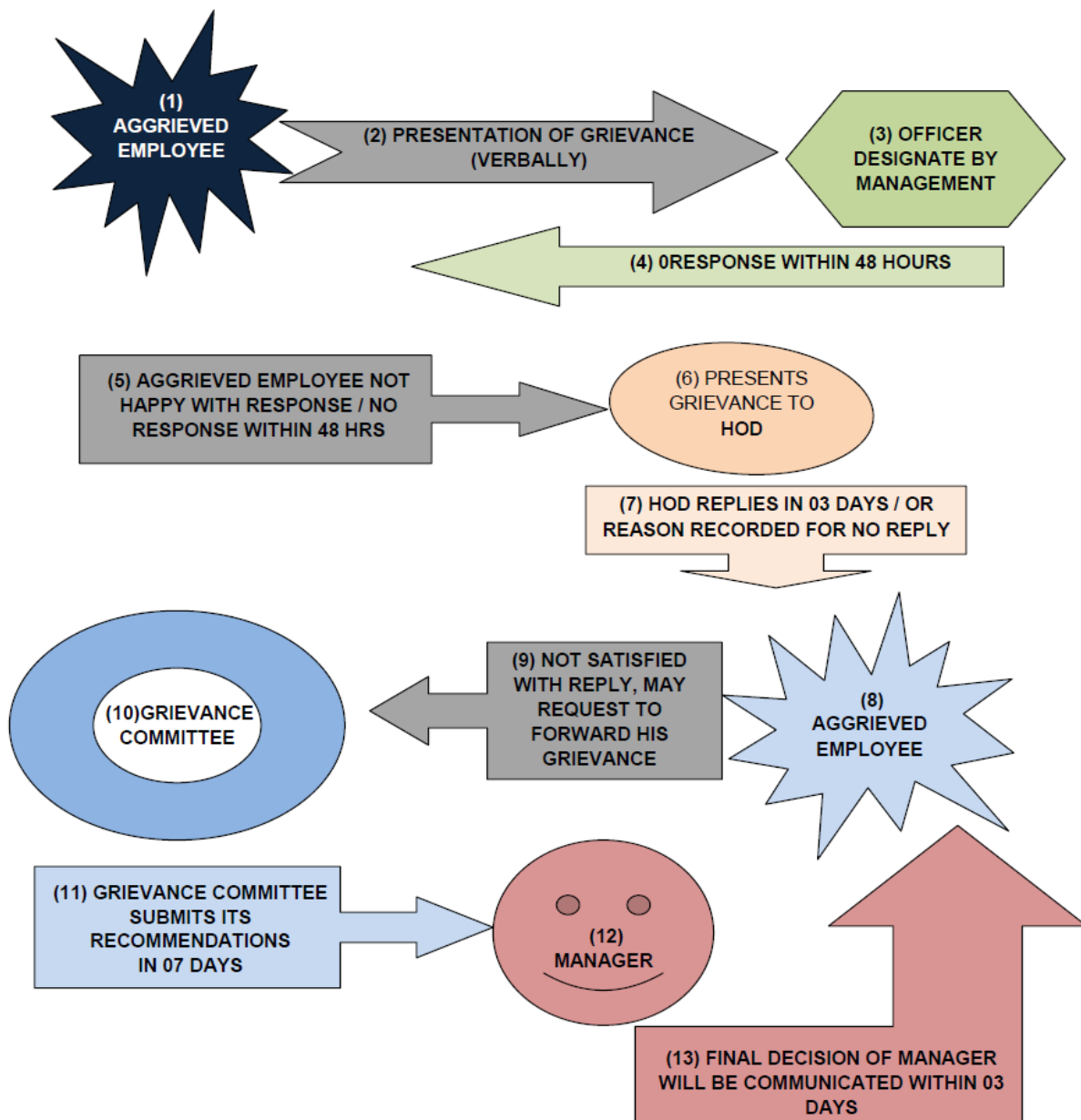


Fig. 12.2 Diagrammatic representation of Model Grievance Handling Procedure by Prof. (Dr.) Ashutosh Shukla

### 13. Importance of Grievance Handling

Grievance is but natural to arise in an organization where thousands of employees are employed because every man differs in nature. They should be removed as early as possible otherwise they create serious problems for the industry and for the society. To evolve machinery for handling grievance is very necessary for better industrial relations. A systematic procedure should be evolved and followed to settle the grievances. Such a procedure may be known as 'Grievance Handling Procedure'. The benefits of such a procedure are:

- 13.1** The management comes to know what the employees think about the policies, practices and procedures of the organization and why they think so. It also reveals the dissatisfaction, frustration or the state of satisfaction in the employees mind.
- 13.2** The management also comes to know the behavior and attitude of the supervisor towards their subordinates. It is reflected by the complaints of workers made against supervisors.
- 13.3** It gives an opportunity to the employees to express their feelings, fears, doubts and dissatisfaction. It reduces the suffocation in him.
- 13.4** It heightens the morale of the people.
- 13.5** There may be a few complaints which cannot be solved by first line supervisor. They must have been resolved by a systematic grievance handling procedure.
- 13.6** It improves the policies and practices of the organization. Repetitions of grievance lead the

management to think about the problem so that it may take the necessary action to remove them.

### 14. Conclusion

Industrial Relations are the relationship between employers and employees. Harmonious relationship is necessary for both employers and employees to safeguard the interests of both the parties of production. In order to maintain good relationship with the employees, the main function of every organization should avoid any dispute with them or solve the grievances as early as possible so as to ensure industrial peace and higher productivity. By and large disputes and resultant conflicts are considered as dysfunctional and unhealthy. For example strikes and lockout result in heavy losses of production, suffering to workers and idling of production infrastructure like machines and materials. It might also affect consumers due to shortage of items and consequent price rise in the market. But another side of disputes and conflicts are beneficial. It is the dispute and conflict which opens up the minds of employers resulting in better emoluments and working conditions of workers. Disputes on inadequacy of safe guard and safety improve the safety standards and pollution controls which not only saves health and life of workers but also assist the society and community. An economy organized for planned production and distribution aiming at the realization of social justice and welfare of the masses can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be sound relationship between management and employees.

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