Impact of Employee Grievance Management on Organizational Performance.
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1*Gabriel T. Nyitse, PhD, 2Yakachat Zamani
1Department of Mass Communication, Bingham University, Karu
2PhD Student, Department of Mass Communication, Bingham University, Karu.

https://orcid.org/0000-0002-3292-190X

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Abstract

Purpose: This paper examined the impact of employees' grievance management on organizational performance. The paper derives from conceptual points of view in available literatures that there is a coefficient relationship between the variables: employees' grievances, and organizational performance; hence, effective management of employee grievance is essential for harmonious workplace relationship, team spirit, employees' loyalty and commitment, as well as improved organizational productivity and performance. In the face of this necessity, there is still a relative lack of, or poor employee grievance management in organizations thereby giving rise to negative organizational outcomes such as reduced productivity, absenteeism, violation of orders, indiscipline and reduced quality of work. The study thus aims to show how employees' grievances directly impact on performance.

Methodology: In doing this, the study is designed using secondary data, analyzed in line with content analysis model and developed on the theoretical foundation of Rahim and Bonoma’s grievance management model. The analysis is anchored on two research objectives and research questions, developed to test recurrent hypotheses.

Findings: From the findings, the study concludes that effective employee grievance management is vital for effective harmonious management-labour relationship which helps to enhance organizational performance.

Recommendations: It is recommended among others that grievances should be handled routinely through set-up structures designed exclusively for that purpose in order to drastically reduce employees' grievances in the workplace.

Keywords: Grievance, Grievance Management, Industrial Harmony, Organizational Performance.
Introduction

Studies by Ibidunn et al., (2015), and Osibanjo et al., (2016), reveal that contemporary organizations is constantly challenged by the prevailing nexus of highly interconnected global economy, so much that organizations now encounter myriads of threats both from within and without. Analysing the strength, weakness, opportunity and threat (SWOT) of contemporary organizations now demands more intensive focus on the internal forces, particularly employees' psychological disposition to work, the effectiveness of team spirit, communication chain, nature of incentives/work motivation and aggression/grievance management. Stressing the significance of internal forces in productive activities, the Manufacturing Association of Nigeria (MAN, 2018) avers that the inability of organizations to manage their internal challenges, particularly employees' grievances has put some organizations into extinction. This proclamation gives currency to the important place of employees' grievance management in organizations. MAN (2018) particularly stresses that while some internal challenging factors which threaten the productive force of organizations appear for, predictable and can be controlled, and mitigated, employees' grievances are hard-to-predict and are sometimes happening more frequently.

Igbinoba, Osibanjo and Salau (2022) have noted that grievances in work place are not time-bond and do not need to span for a length of time before they affect a corporation’s capacity to attain its goal. Thus employees' grievances are indicators of organizations' spiraling move toward economic or reputational loss. They further stress that due to the fact that grievance is uncertain with a likely negative impact on an organization’s viability, organizations should, as a matter of necessity, design some in-advance plans and makes some significant allowances for managing grievances before they lead to crisis. The implications of Igbinoba, Osibanjo and Salau’s (2022) claim are that, first: contemporary organizations face the challenge of promoting and preserving a harmonious workplace interrelationship among workers along hierarchical lines to boost workers’ morale, promote and sustain organizational efficiency, and improve organizational productivity through diligent, unfettered and efficient performance; second: performance level is the direct consequence of employees' psychological disposition towards production. The implication of this is that a happy employee is a committed worker while an unhappy employee is a begrudged worker.

Consequently, it is clear from the foregoing that grievance renders performance poor and slows down organizational productivity. It severs the communication chain between leadership and the organization’s workforce. Hence, grievance, especially employees' grievance is an essential organizational issue. But then, what is grievance? Grievance, in order word, implies a sensation of pain or sorrow arriving from disappointment, hardship, wrongs committed by or against one, often resulting in outrageous outburst, complaint or violation of regulations or objectionable behavior. Igbinoba, Osibanjo and Salau (2022) have conceptualize grievance as follows:
Grievances are issues, issues or conflicts raised by staff with their employers’ procedures to adapt the emotions, opinions and opinions of their staff in order to acquire the confidence, allegiance and wholehearted dedication of their staff, particularly when it goes to staff with channels to convey their grievances to management.

Ours and Igbinoba, Osibanjo and Salau’s (2022) are generic in scope. There is need to knit these definitions to the conceptual issue of workplace or employees' expression of dissatisfaction. In this light, Eromafuru, Akobundu and Egbule (2020) come at the fore. For Eromafuru, Akobundu and Egbule (2020), employee’s grievances are issues of imaginary or genuine feeling of disaffection, injustice, misapplication or ambiguity of policies and procedures often resulting in poor customer service, shabby work behaviors, and unhealthy work climate. In order words, it could also be conceptualized as dissatisfaction of the employees due to conflicting ideological positions with management or with cliqued structures among employees themselves based on in-group favoritism, politics, organizational policies and actions resulting in a break in communication, team spirit, negative-other presentation, violation of regulations, unhealthy work climate and in some cases, in-group fight or general strike actions where there have been formal complaints, especially in the context of a unionized workplace.

From the above, it is crystal clear that employee s’ grievance and the management of these grievances have remained a top concern for many right-thinking executives in modern company field. This is because, managers are now aware of the nexus between staff’s psychology, labour and performance, especially in relation to productivity. Hence, managers have seen the need to keep a harmonious management-labour connection that is essential to organizational sustainability, achievement, efficiency and improvement (Ebeguki et al., 2019). It is therefore salient to say that if grievance is not settled or correctly addressed in organizations, it results in unsuccessful employees and consequently undermines the effectiveness of employees' workforce.

Statement of the Problem

Employees' grievances has remained a daunting challenge to organizations. While this problem subsist in spite of different management approaches employed to mitigating it, scholars have equally theorize on different ways to remedying this organisational challenge. However available literatures have shown that none of the existing studies has looked into the issue of what an unfair handling of grievance of employee has caused employees to perform poorly. Many studies have looked only at the processes of managing employees’ grievances and its effects on organizational survival without paying attention to how the poor managing of these grievances results in poor performance. However, fewer of these studies, if any, have really attempted to explore managing employees’ grievances and its effects on organizational performance. This research stands to fill that missing intellectual gap by assessing how the poor managing of grievances impacts on performance.
Research Objectives

This study examines the relationship between grievance management and employees’ performance with a view to showing how effective grievance management or poor grievance management positively or negatively impacts on performance. The above aim is set to be achieved against the backdrop of the following research objectives:

i. To critically assess how grievance management strategies affect the performance of employees

ii. To examine the variations in grievance management strategies across the demographic characteristics of employees.

Conceptual Framework

Grievance

Defining grievance is no mean task. Not only is the concept abstract, grievance constitutes different things to different people. However, Juneja (2018) sees grievance as feelings that are either genuine or imaginary that bother on dissatisfaction or sense of injustice, especially as felt by employees in work places. Juneja stresses that such feelings are about the employees' work, the nature and if the work, management’s policies and procedures which the employee complain about. In a similar manner, Rose (2004) conceptualizes grievance to mean any form of expressed dissatisfaction regarding work and workplace by employees. What is a bit different in Juneja and Rose’s views is that Rose states that the complaint so made must be formal and presented by the employee to his immediate supervisor. However the slight difference, these definitions point to the fact that grievance is basically an expression of dissatisfaction. The implications of this are that organizational policies are not always in the interest of employees and that when such policies are anathema to the interest and desires of employees, they are, by right, entitled to make a formal complaint expressing such dissatisfaction.

In the light of the above, employees’ grievance is any feeling of dissatisfaction arising from organizational policies which employees consider self-serving for the management and anathema to the interest and desires of employees formally expressed as complaint and presented to the organization’s management. Another interesting dimension to such expression of dissatisfaction is the fact raised by D’Cruz (1999) that such expression is always usually intended to create a change. It can be deduced that employees’ grievance is a positive approach to achieving changes in organizational policies and management systems. But, what if such complaints are equally self-serving for the interest of employees and place the organizational goals at risk? This is a critical poser in the study of employees’ grievances. Hence, it is no misnomer to stress that employees’ grievance sometimes arises out of poor or wrong interpretation, administration or alleged violation of the general or specific terms of the collective agreement between managements and labour. It is not true that grievance arises only when employees’ expectations are not fulfilled by the
organization. What this means is that feelings of dissatisfaction are both greedy and genuine as a result of individual needs. Feeling of discontentment and dissatisfaction arises from greed and gullibility while others arise from a genuine situation of injustice.

**Collective bargaining**

Since 1984 when the term came into life, collective bargaining has remained an effective tool for negotiating harmonious labour relations between employers and employees. Since its application in organizational settings, collective bargaining remains an efficient way of regulating industrial relations. Flanders (1970) defined collective bargaining as a social process that continually turns disagreements into agreements in an orderly fashion. This is because it is centered on agreed rules and decisions, especially on matters of mutual interest to employer and employees or the union under whose representation employees express their interests. It is centrally about the methods of regulating the conditions and terms of employment by way of negotiation and discussions. Collective bargaining promotes workers’ participation as bargaining allows employees, through their respective unions, to influence the wages and conditions and terms of employment. Collective bargaining is therefore a mechanism for creating working conditions, wages and other aspects of employment by way of negotiation between employers and the representatives of employees organized collectively (Abercrombic et al 1980, cited in Nwadiro, 2011) it is taken to be a weapon employed by workers to enable them participate in industries, extension of the rights of citizenship into the economic sphere and the resolution of conflict in organizations.

An important aspect of collective bargaining is that negotiations are usually undertaken by employees’ union on behalf of an employee or employees in order to present a formidable front which management finds difficult to turn down. It usually covers general negotiations on employee’s work hours, health and safety, salaries and grievances, training, overtime, grievance mechanisms, and even employee’s rights to participate in workplace (Futureofworking.com 2016). Collective bargaining is a process of negotiation between employers and a group of employees aimed at agreements to regulate working salaries, working conditions, benefits, and other aspects of workers’ compensation and rights. The interests of the employees are commonly presented by representatives of a trade union to which the employees belong.

**Concept of organizational performance**

Organizational performance is the total, aggregate or sum of labour estimated in terms of time needed, resources used, etc. which produces a better or poor outcome based on what work is accomplished. We chose the phrase “a better or poor outcome,” because performance is not only “good,” “better,” or “best”; performance is, sometimes “bad,” and can even be “worse” if not entirely “worst.” Thus defining performance in relation to success alone narrows production and market outcomes. Interestingly, Emenike (2016) sees organizational performance as “how corporation performs on certain criteria as profitability, market share, return on asset, and return
on investment. In other words, level of profitability, market share which the firm control in the industry, and the returns from their assets and investment defines an organizational performance.” Emenike’s definition provides another vista to our earlier definition. This evident in his view on how the organization “controls” development in the industry. This notion brings us to the fact that performance cannot be evaluated unilaterally in respect to specific organization. Any evaluation of an organization’s performance must be measured with regards to the extent to which that organization is able to perform when compared to not only its goals, targets, or proposals but, importantly, with those of its competitors.

Theoretical Framework

The study adopts Rahim & Bonoma’s (1979) grievance management theory. The theory was inspired by Thomas & Schmidt (1976) whose study focused on parties involved in the grievance settlement. For Thomas and Schmidt effective handling of grievance requires the aggrieved parties to be involved in grievance management. This is because se people get involved in grievance management for their personal gains, stating that such involvement may either be to establish some self-assertiveness rather than cooperativeness; hence all parties must be involved to determine expressions of assertiveness or cooperativeness.

Deriving from this sense of assertiveness and cooperativeness, Rahim and Bonoma (1979) expanded the notion of assertiveness by demonstrating how such assertiveness which, in their own view, is termed “concern for self,” is expressed through avoiding and dominating (low) and; how concern for others, on the other hand, is expressed through integrating and obliging (high), to determine parties readiness for compromise, the central concern of Rahim and Bonoma’s theoretical model. Rahim and Bonoma’s theoretical model can be summarized thus:

1. Avoiding Style: Low regard for self and low regard for others.
2. Dominating Style: High regard for self and low regard for others.
3. Obliging Style: Low regard for self and high regard for others.
4. Integrating Style: High regard for self and high regard for others.
5. Compromising Style: Moderate regard for self and moderate regard for others.

Literature Review

A lot of critical studies have been undertaken on employees’ grievances from a wide range of perspectives. Okoli et al. (2017) is one such seminar work which was conducted on staff in selected public universities in the South East of Nigeria. Okoli’s et al (2017) study is a survey designed to unearth how grievance management was used to measure organizational performance. The study which is quantitative, used questionnaires instrument which was distributed to 210 respondents, giving that the population of study is 460 while the sample size was 210 arrived at after using Krejcie & Morgan formula. Out of the 210 distributed questionnaire, only a total of 190 copies were returned and examined. The hypothesis was verified at a 5% level of significance using the
Pearson’s Product Moment Correlation Coefficient. The result showed that there was a substantial relationship between integrating style and organizational performance with a correlation coefficient of 0.902 (r=0.902<0.05). It was determined that the style adopted in handling grievance determines how fast the grievance will be managed.

Similarly, Sundaram and Saranya (2013) have equally undertaken research on grievance handling approaches and their impacts on staff dedication to organizational goals. The study surveyed women employees in the IT sector in Chennai city. The study used the questionnaire instrument for data gathering which it distributed to 108 women employees working in IT sector. The study used two sets of variables to measure grievance management style, on the one hand, and organizational commitment, on the other hand. Under grievance management styles, the variables include: emotional expression, grievance approach and self-disclosure whereas organizational commitment was measured using: continuance commitment, normative commitment, and affective commitment. Results from correlation shows there is a link between grievance handling approaches and workplace commitment. By implication, it means that improved grievance management practices will lead to more loyalty and improved job performance from the employee.

Eromafuru, Akobundu and Egbule (2020) examined the impact of organization grievance handling on employees’ contextual performance in eight (8) commercial banks in Nigeria. The study employed a descriptive research design with the population of the study comprising the core staff of eight (8) leading banks in Nigeria, among which include: First Bank, United Bank for Africa, Zenith Bank, Guaranty Trust Bank, Eco Bank, Unity Bank, Skye Bank, and Fidelity Bank. In total, the staff strength of these banks is 250 which also is also sample size adopted for the study. Primary data was collected using questionnaire to generate quantitative response. Using the Likert scale to measure the variables on an ordinal scale score of 1 to 5 assigned to represent the degree to which the respondent agree to a particular question or statement and analyzing the central tendency of the responses, the study used mean to analyze the dependent variables while standard deviation was used to analyze the variability of the responses. The association or relationship between the dependent and independent variables were analyzed using the Pearson Correlation Coefficient. Findings reveal that there is converse relation between grievance handling process in the banks and employees unencumbered performance.

Marchington et al. (2016) conducted a study on grievance management styles as a mechanism for industrious performance in business companies. The results discovered that grievance management has a progressive effect in promoting productivity among workers. The study suggested that approaches and contents of the grievance should be examined before determining to implement an appropriate strategy for the management of grievance. The study suggested that the organization should evaluate the reasons for grievance in the organization bearing in mind the organizations success.
Research Methodology

Data were sourced from reviewing essays, research works, and Websites and media commentaries of scholars, essayists, and commentators on employees’ grievance management. Data analysis was basically analytically content-based. This is in line with Patowary’s (2014) submission that in an analytical method, a researcher has to use facts or information which are already available and analyse these to make a critical evaluation of the material. This method is adopted because the study is conceptual in approach and is not concerned with empirically studying any particular population or a subset of any population. It is a secondary research with concern on existence theoretical views, perceived research gaps and areas of significant interests as expressed in critical literatures on employees’ grievance management. The data are therefore exclusively secondary rather than primary and were purposively selected in line with the topic under discussion.

Discussion of Findings

From the literatures studied and reviewed, there is a recurring hypothesis predicated on certain coefficient relations between either grievance avoidance management or responsive grievance management. One recurring position in grievance management study is the unarguable fact that employees’ grievance and organizational performance inextricably correlate. Hence, organizational performance cannot be adequately measured without considering the work-psychology of the employees. In the light of this, scholars are agreed, from various theoretical backgrounds that grievance-avoidance management has significant effects on the performance of employees in particular and the organization’s production output, profits and survival. Thus, from a regression analytical point of view, it is that there is a relationship between grievance-avoidance management strategy and employees’ begrudged sense of commitment, while there is, equally, a relationship between responsive grievance management and employees' efficiency and readiness to change. The implication of the above is that employees understand the importance of their labour supply and are either willing or unwilling to supply it in accordance to objective demands based on what accrues in wages, welfare packages, other fringe benefits or incentives, to motivate them to work.

In the light of the above, it becomes salient, when dealing with employees' grievances to methodically choose the right approach. This is because as indicated by Kassim and Ibrahim (2014), choosing to avoid the significance of grievances automatically displays to employees, who are themselves aware of the crisis, a clear indication of management’s absence of enthusiasm or its deliberate display of indifference as though the contention is not significant and therefore can be concealed. But, several studies (Noah & Steve, 2012; Kassim and Ibrahim, 2014; Patowary, 2014; Okoli et al., 2017) have shown that workers who often feel neglected, challenged and alienated when their bosses probably respond in avoidance conduct perceived crisis. Not only is grievance-avoidance approach a serious negative style to responding to disharmony in
While the problem does not lie only in grievance-avoidance, specific approach to grievance management can equally be faulty. The Rahim and Bonoma’s *Concern for Self* approach could be self-defeating too. This approach allows for dominating. Dominating is a competitive approach to grievance management. It places the aggrieved parties in a form of contest allowing them to makes case for defense and defeat. It encourages positive-self presentation against negative-other presentation thereby resulting in a win-lose situation. This kind of grievance management style does not encourage compromise as the privileged group would always want their policies and ideological positions adhered to at the peril of the less-dominant group.

Avoiding and dominating are sunsets of Rahim and Bonoma’s *Concern for Self* and are indicators of how negative approach to grievance management can produce not just negative outcomes but worsen situations resulting in total break down of law and order. Several studies, as mentioned earlier reject this approach because of its imperialist approach to conflict resolution. It is class- and position-sensitive and authoritarian in nature. Begrudged by a lack of privilege to right the wrongs of management policies, employees are traumatized and often resort to avoidable workplace accidents, breaking effective communication links thereby weakening team spirit; it results in poor customer relationship and a total break down in production activities due to poor individual and collective performance. It creates a wide gap between employees and management resulting in zero routine reports in ascending order on daily, weekly or monthly industry challenges, risk assessment level, production success and challenges, and a general effective analysis of SWOT (Strength, Weakness, Opportunity, and Threat) for guiding decision making regarding organizations’ policy plans.

Placed against the above backdrop, it is observed that, on the contrary, responsive grievance management style can be subsumed in Rahim and Bonoma’s *Concern for Others* model. This is because, this model gives currency to both integrating grievance management style and obliging grievance management style. In the integrating model, both parties are earnest in their expressed positions about the organization itself rather then the individual selves. Hence, they search for all necessary organizational agencies that can be integrated into the management-employees relationship to facilitate the attainment of basic organizational objectives. Integrating recognizes the systemic functional importance of all facets of the organization and, it tilts towards the notion that managers cannot work alone hence, the need to work together with their representatives to profile answers to identified crises in order to be able to fulfill their desires (Ebeguki et al., 2019). This procedure is also recognized as cooperation whose transcendent objective is to fulfill the needs of all the parties.

Like integrating, obliging, as Ebeguki et al. (2019) stressed, is the method used when parties give up their needs to see the organization function efficiently. This approach is the direct opposite of
dominating in that it is accommodative privileging a win-win situation rather than the lose-win approach in dominating. Obliging considers the fundamental importance of team spirit, departmental relationship across hierarchical levels, interpersonal communication, and the need to give up self-interest for the interest of selves for the overall betterment of the organization. Both integrating and obliging inspires compromise which is considered by Rahim and Bonoma as the most effective approach to employees' grievance management.

Compromise involves undertaking to deal with aggrieved parties' contentions rather than looking at individual gains or loses. The implication of this is that, factional or sectional rights and privileges are given secondary values for the purpose of coming to arriving at a decisive conflict resolution conclusion. In this case, Ebeguki et al., (2019) note that bargaining strategy deemphasize all parties' demands, substituting them with expedient center ground position that benefits all parties.

The second hypothesis indicate that avoiding and dominating are anathema to effective performance. They correlate poor and, better still, “worst” performance. Here, performance is interpreted as the consequence of employees' work psychology. It equally translates as the degree of industrial harmony and team spirit or disharmony and hypocrisy among the systemic functional parts of an organization when applied into the productive chain which result in either positive or negative outcomes. Thus, avoiding and dominating inspire negative performance outcome resulting in more crises rather than solving the initial ones. They promote absenteeism where there was lateness, breach of significant organizational rules where there was absenteeism, strikes where there were written and verbal complaints, picketing, where there was strike, arraignment where there was picketing and collapse where there was avoidable crises.

The third hypothesis shows that integrating and obliging grievance management strategies have significant effects on employees’ performance organizational settings. Here, the effects are said to be positively correlated. This is so because, in this type of grievance management, parties are integrated rather than sidelined giving them allowances for making their points heard and, possibly, resolved. Such points may bother on faulty working implement, environmental hazards in work areas and settings, certain risk factors that had consistently hampered work efficiency and effective service delivery. When these are heard, resolved and replace, employee’s experience of change in the work setting becomes inspiration for improvement in performance. But, a bossy, concern for self approach does not privilege an employee making his or her points in the process of resolution. Also, when parties agree to oblige on ideological positions to give way for unity, inflamed tempers yield their grounds and create room for agreement. This makes decision making easy as this makes employees feel a sense of belonging. When employees begin to feel that their membership to the organization is valued, they will willingly comply with agreed-upon policies the organization brings forth. Likewise, the willingly of the employees to oblige on certain principles will make the organization to also values its employees because of the values they add
to the organization, indicating that both parties accommodate each other despite their shortcomings (Schreier, 2012).

The fourth hypothesis indicates that compromise grievance management strategy has a significant effect on the performance of the selected manufacturing firms. This approach shows that performance is the outcome of adherence to collective bargaining agreement. When this agreement is bridged on the basis of management-employee dialects without recourse to compromise, then grievances escalate and performance is slowed. But, on the contrary, when there is effective concern for others and compromise is reached at all times, performance is unencumbered and effective. According to Akintayo (2012), the best alternative to all employees’ grievance management approach is the compromise strategy. This is because this strategy takes into consideration the needs and wants of both parties and how both parties can have their needs satisfied. This means the organization and the employee are able to find a balance in the sense that both parties are satisfied because a middle ground has been reached.

**Conclusion**

There are no alternatives to promoting and sustaining organizational harmony for achieving optimum performance, even productivity and economic development. However, while organizational harmony serves a precursor to effective organizational performance, fundamental to organizational harmony and employees' performance is effective and efficient management of employees' grievances. Interestingly, findings have indicated that there is a coefficient relationship between employees’ grievances and organizational performance hence, this study concludes that: organizational harmony and employees/organizational performance cannot be achieved if organizations do not create systems and structures that routinely assess, monitor and evaluate employees’ grievances with a view to devising effective grievance management strategies which positively impact on employees/organizational performance. Organizations need to understand the variations in grievance management strategies across the demographic characteristics of employees to know the appropriate employees’ grievance management strategies to be adopted.

**Recommendations**

By studying the findings and the conclusions that has been stated above, it can be resolved that, the objectives of the research have been reached and the following recommendations which can not only be applied in the manufacturing sector but other sectors include the need for Organizations recognize that conflict is inevitable and should create structures that routinely assess, monitor and evaluate degree of perceived grievances in order to be able to Forster and sustain mutual relationship among employees themselves and, employees and management.
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