CHAPTER 7

Job Satisfaction
&
Labour Management Relations
JOB SATISFACTION AND LABOUR MANAGEMENT RELATIONS

Job satisfaction is one of the most crucial but controversial issues in labour-management relations and behavioural management in organisation. It ultimately decides the extent of employee's motivation through the development of organisational climate or environment.

There are a number of different definitions of job satisfaction. For our purpose, the definition which seems to be more suitable, at the same time simple also is that job satisfaction is the favourableness or unfaourableness with which employees view their work. It results when there is a rift between job requirement and the wants and expectations of employees. It highlights the extent of comparison between the employee's expectation of the job and the rewards that the job provides. Therefore, if actual rewards meet or exceed perceived equitable rewards, the individual will be satisfied. On the other hand if actual rewards are below what is perceived to be equitable, the individual will be dissatisfied. Thus, satisfaction is determined only in part by actual rewards received. It depends also on what a person feels, the organisation should reward for a given level of performance. According to Andrew DuBrin, "Job satisfaction is positive emotional state that occurs when a person's job seems to fulfill important job values, provided these values are compatible with one's needs. [1]

Job satisfaction may refer either to a person or a group. Job satisfaction may be more clearly understood in terms of the employee's extent of satisfaction in general in his total life expectation. It can be viewed in relation to employee's satisfaction with his home and community life. For instance, some employees may be very satisfied with their home and community, but view their jobs as average. Consequently, their job satisfaction is lower than their other satisfaction. Some other employees may feel dissatisfied with home and community but they also feel their jobs are average. In this case the employee's job-satisfaction will be relatively high. But generally job satisfaction and life satisfaction are closely related. The effect is of spill-over of one over the other. Another kind of effect which is also prevalent is the compensatory effect where employees compensate for low job satisfaction by trying to achieve high non-job satisfaction. This takes the form of achieving higher satisfaction in various pursuits in society and in union activities.

Job satisfaction is further aided in its understanding by finding relative importance, to the employee, of the various factors contributing to it. For instance, when asked, the employees may say that the are dissatisfied with both the 'wage' and the 'service security' policy. It will appear at this point, that both the factors are of equal importance to employees. But, if asked further, the employees may say that the organisation's service security policy is far more important to them than the wage. Only when such relative importance of various factors are known to the management, then proper action can be taken.
Factors Influencing Job-Satisfaction

Job satisfaction is a complex phenomenon. The nature and extent of factors contributing to it are not yet fully known. But, a good deal of research studies in various countries with different cultures, have certainly increased our understanding of the factors.

Herzberg and his associates[^1] explored job satisfaction from a basically dynamic view and offered an approach to an understanding of motivation to work. They noted an important distinction between two kinds of factors:

According to the theory, satisfaction and dissatisfaction are two separate, distinct, and independent feelings. These are unipolar dimensions i.e., the opposite of satisfaction is no satisfaction instead of dissatisfaction and the opposite of dissatisfaction is no dissatisfaction, instead of satisfaction.

The general findings of the Indian studies which put Herzberg's theory to test, were only partially supportive of the theory. Lahiri and Srivastav, in their study of 93 Indian middle managers, found that satisfied and dissatisfied feelings are separate and unipolar. But intrinsic and extrinsic factors contributed to both satisfied and dissatisfied feelings.

Thus, the importance of the various factors appears to change from one situation to another. Hence, a study of the factors leading to job

satisfaction must be discussed in general terms. There are many factors, but only those considered most important will be discussed as under -

**Personal Factors**

**Sex**: The studies in other countries have shown that women workers are more satisfied with their job than the men. Ghosh in his investigation in a synthetic jewel manufacturing factory in Gujrat found the girl operators to have greater job satisfaction than boys. This is so despite the fact that women are generally discriminated against in job competition and remuneration. Quite possibly the reason is that women's ambitions and financial needs are few.

**Number of Dependents**: Results of a study by Sinha and Nair, indicate that workers having to support fewer dependents (one to four) tend to have higher job satisfaction, while those with five of more dependents tend to be dissatisfied. Perhaps the stress of greater financial need brings about greater dissatisfaction with one's job. At the same time workers having to support unmarried girl dependents tended to be dissatisfied.

**Age**: Indian studies in this regard have so far produced conflicting results. In some groups job satisfaction is higher with increasing age, in other groups job satisfaction is lower, and in still others there is no difference.

**Tenure of Job**: Several investigations have indicated that job satisfaction is relatively high at the start, drops slowly in the fifth or eighth year, then rises again with more time on the job.
Intelligence: Ghosh found relationship of moderate level of intelligence with job satisfaction among the operations in a synthetic jewel manufacturing plant in Gujrat. The more intelligent were highly discontented about the working conditions although physically it was the most ideal place to work in.

On an overall analysis it appears that the relation of intelligence to job satisfaction depends on the level and range of intelligence and the challenge of the job.

Education: Indian studies have generally shown that there is a tendency for the more educated workers to be less satisfied and conversely the less educated workers to be more satisfied.

Personality, Exclusive of Intelligence: Personality is a major cause of job satisfaction and dissatisfaction. One difficulty which has led to many inconclusive results is the comparative lack of true measures of personality.

Mehdi and Sinha, in their study of Indian school teachers, found that the extent of neuroticism increased job dissatisfaction. Conversely, it showed that teachers with low neuroticism, had greater job satisfaction. Jawa in a study of semiskilled workers of a factory at Delhi, found that the workers with high anxiety were less satisfied with their jobs, those with low anxiety were more satisfied with their jobs, and those with moderate level had moderate job satisfaction.
Another possible criterion of personality is general satisfaction with non-job conditions. One such study indicated a fairly high correlation between general and job satisfaction; this would indicate the possibility that some job dissatisfaction is caused by the personality traits that made these employees unhappy with the job.

In another study it was found that persons who were rated high in interpersonal desirability by their fellow employees were the most satisfied with their jobs. All these studies imply that there is possibly a personality pattern which facilitates adjustment with environment and another which does not.

**Factors Inherent in the Job**

**Type of Work**: The most important factor inherent in the job is type of work. Several studies have shown that varied work brings about more job satisfaction than does routine work. Other studies have shown a majority of factory workers to be dissatisfied whereas a minority of professionals were dissatisfied.

The extent of differential job satisfaction and dissatisfaction among workers engaged in different types of work and at different levels in Indian business and industry is not fully known. Also, it is difficult to separate the importance of type of work, skill, pay and status, since they usually go together. However, the indications from Indian studies are that the extent of dissatisfaction is fairly widespread among workers as well as supervisory and lower level management personnel in Indian business,
industry and government administration. Thus, the type of work must be considered as an important determinant of job satisfaction in Indian organisations, the widely prevailing inadequate personnel policies and ineffective personnel practices may have prevented the congenial relationship to be established.

**Skill Required**: One earlier study of the relation of skill to job satisfaction concluded that where skill exists to a considerable degree, it tends to become the first source of satisfaction to the workman. Satisfaction in conditions of work or in wages becomes predominant only where satisfaction in skill has materially decreased. The study of Sinha and Nair among the Indian workers has shown that skilled workers have significantly higher job satisfaction than unskilled workers.

Skill as a determinant of job satisfaction, operates togerther with several other factors such as kind of work, occupational status, responsibility, length of service, personality characteristics, opportunity to use skill and possibly others.

**Occupational Status**: Occupational status and job satisfaction are related but not identical with each other. Most of the studies show that even when the holders of specific occupations state that they are very happy with their occupations, only a few of them express their willingness to enter their present occupation again, if given a choice. The occupations which they wanted most often to enter were those of a higher status, their own business, professions and other independent work. This study depends not only on the way the employee regards the
status of his job, but also on the way it is regarded by others whose opinion he values.

There are indications that the occupational status depends not on the job itself but also on the economic, social and political system in which a particular society operates. In a traditional society as in India one reckons that occupational status hierarchy and social status have been inseparable within the context of caste system. Occupations of higher status are given to the lower caste, this has forged some semblance of equality, a large majority of the lowest of castes are still struggling. Inspite of these qualifications each manager should try to show the importance of every job to all employees.

**Geography**: Geography has been found to have some bearing on satisfaction and dissatisfaction of workers. Workers on the Pacific Coast are the most satisfied whereas those in the mountain states are the least satisfied. Among the factory workers the difference in work satisfaction in cities is equally extreme. Factory workers and the public are insubstantial agreement as to which cities are the best and which the worst places to work. Size of city, peace in city, facilities in city, etc. are the most important factors that have been found to account for differences in work satisfaction among the cities. Levels of industrial development, the political, social and economic environment, the workers characteristics and possibly other factors as well in the regions are the important determinants of satisfaction and dissatisfaction.
Size of Plant: Generally, morale, a combination of attitudes in small companies, has been found above that in large companies. The favourable attitudes in small plants are based specifically on optimism about advancement, opportunity for making suggestions, treatment of employees and respect for the ability of management. In a small branch individuals know each other better and are therefore, more co-operative. The formal organisation in a large branch becomes more impersonal and policies become more arbitrary, creating a feeling of less participation.

Size of the organisation again, does not independently affect the employees. It affects them along-with management practices and various other factors. Thus, a small organisation cannot attain effectiveness by being small alone.

Factors Controllable by Management

Wage and Salary: The importance of wage or salary as a factor in job satisfaction has been greatly over-emphasized by the management. Two Factor Theory of motivation shows that inadequate salary leads to dissatisfaction among workers. It also indicates that adequate salary does not provide any satisfaction to the workers, it only prevents the dissatisfaction. But Ganguli argues against minimising the importance of wage or salary as a factor in satisfaction at least among Indian workers. It may be noted that an extensive study of the character of demands of the labour unions in Indian organisations and also of settlement of labour-management agreements on such demands has shown the predominance of wage and salary over other demands. But, the Indian
experience also shows, that meeting of such demands of wages and salary does not necessarily lead to overall employee satisfaction and favourable attitudes and does not buy peace. In fact, the problem of discontent is also very much evident in some of the organisations paying the highest rate of wages to the workers in Indian condition. With the rapid rise of prices, workers expect more wages. An individual worker is more interested in how much he can buy from his earnings (real earnings) rather than how much he gets by way of money earnings, since the real wages are increasing marginally, he feels frustrated and this contributes to employees dissatisfaction.

Thus, it is also evident in Indian conditions that if the problem exists in the areas of attitudes and job satisfaction for various other reasons, such as ineffective supervision and work relationship, no amount of increase in wage and salary will help in improving productivity. The converse is also true, that management's eagerness to improve attitude, job satisfaction and inter-personal relationship without any regard to adequate salary and financial benefit also will not lead to overall improvement in productivity.

**Wage Components or Wage Structure**: The major components of an employee's wage are basic wage, dearness allowance, allowance including overtime, bonus and fringe benefits.

**Basic Wage**: Basic Wage is a stable wage paid over a period of time which could be on a monthly, weekly or daily basis. The basic wage, therefore, does not fluctuate like dearness allowance or bonus but
progresses more evenly over time in cases where there is a running grade, or else it remains stationary. Basic wage is the base for purpose of computing pension, provident fund, gratuities, travelling allowance, house rent allowance and city compensatory allowance.

**Dearness Allowance**: The system of payment of dearness allowance arose after the First World War as a result of the steep rise in prices of essential commodities like foodstuffs. At present, there are several systems of paying dearness allowance to the employees to meet the changes in the cost of living. One of the methods of paying dearness allowance is by a flat rate, under which a fixed amount is paid to all categories of workers, irrespective of their wage scales. The second method is its linking with consumer price index numbers published periodically by the Government. The main advantage of this system is that it neutralises the actual increase in the cost of living. In addition, this method is more realistic because it regulates the payment of allowance on the basis of actual price movement in a given region, as opposed to the flat rate system.

A final issue with regard to dearness allowance is that of merging all of it or a portion of it with the basic wage. Often, it has been observed that the DA component forms a very high percentage of the basic wage. Unions prefer merger for two reasons - it lends greater stability to a worker's pay packet, as the fluctuating component of DA is done away with and a higher basic wage enables a worker to enjoy more liberal perquisites like house rent, leave travel, provident
fund, pension, etc. The Gadgil Committee was appointed in 1952 for examining and reporting to the Government what portion of D.A. at present granted to Government servants should appropriately be treated as pay. The Committee recommended that 50 percent of the then prevailing rate of allowance be treated as pay for purposes of computing pension, provident fund, gratuities, travelling allowance, house rent allowance and city compensatory allowance. This recommendation was accepted by the Government of India.

**Bonus**: The bonus component of the industrial compensation system, though quite an old one, had assumed a statutory status only with the enactment of the Payment of Bonus Act, 1965. This Act provided a minimum of 8.33 percent bonus of salary (basic + DA) irrespective of the fact whether the factory made profits or not, up to a maximum of 20 percent. The Act applies to factories, and to every other public and private sector establishment which employ 20 or more than 20 persons. The Act has restricted payment of bonus to employees drawing wage or salaries up to Rs. 2500 per month. In case of those eligible employees whose salary is more than Rs. 1600 per month, it is computed at Rs. 1600 per month.

An important purpose of bonus legislation was to eliminate the bonus issue from the area of conflict. But, on the other hand, the post-legislation years have been marked by an increase in the incidence of labour conflicts and deterioration of labour-management relations. The quantum of bonus has become a bone of contention between managements and unions in both the private and public sector.
Overtime Payment: Working overtime in industry is possibly as old as the industrial revolution. With the passage of time, the Government came out with legislation to restrict excessive working by the employees beyond certain and limited hours. While the need for such legislation was welcome in situations where labour was exploited, another situation started shaping up in which employees started wilfully organising work in such a fashion wherein the managements are compelled to give overtime as a means of achieving production. During the post-war period, overtime has become quite a regular feature in many industries.

In many companies, overtime is necessary to meet urgent delivery dates, sudden upswings in production schedules, rush jobs during the financial year end or to give management a degree of flexibility in matching labour capacity to production demands.

However, in many situations it has become a vested interest (in order to boost earnings) and normal work is not done until overtime is sanctioned or normal work is done only on an overtime basis. In other words, sometimes the employees deliberately slack down the work in the normal working hours to undertake work in extra hours. In most of the cases, even after extra hours, the desired output is not obtained. Realising the huge amounts involved, many firms have restricted overtime to the bare minimum, which again has to be cleared by the higher levels.

The Fringe Benefits: A worker also receives a variety of other cash and non-cash benefits, as a result of his being an employee of an organisation. They are called perquisites or fringe benefits. Fringe
benefits have been classified in several ways. In terms of their objectives, Meggison classifies them into two groups: those providing for employees security and those purporting to increase employees job satisfaction, causing reduction in labour turnover and improvement in productivity. The former group includes retirement programmes, workmen's compensation, unemployment compensation, social insurance and other provisions while the latter group incorporates vacations, holidays, sick leave, discount on company goods and services and allied tangible and intangible benefits. Fringe benefits are also categorised as statutory, contractual and voluntary. Statutory benefits include social security and medical care, unemployment compensation, workmen's compensation, provident fund gratuity, etc. The benefits provided by the employer in pursuance of agreements with workers may include dearness allowance, house rent allowance, city compensatory allowance, medical allowance, night-shift allowance, heat allowance, transport, housing and educational allowance. Voluntary fringe benefits which are provided unilaterally by the company include group insurance, death benevolent fund, washing allowance, leave encashment, leave travel concessions, conveyance allowance, incentive for family planning, service awards, suggestion awards, etc.

Security: While 'getting a job' is of foremost importance 'being secured in the job' is the very next requirement of the Indian worker. This is understandable in the face of widespread unemployment, uncertainties in the employment market and the conditions which are often termed as 'unfair labour practices'.
Security is of less importance to the better educated person, perhaps because there is not so much fear of lay-off in the kind of jobs that the highly educated obtain, or the highly educated are justifiably more confident of being able to find their jobs if necessary.

Security for old age does not feature in the list as it does in western industries. The security on the immediate job is possibly so pressing a need that the thought of security for old age recedes to the background. Another explanation may be that traditionally it is thought in our country that security in old age was expected to be dependent on the earnings of one's own sons than on one's own employment and earnings. The situation is however changing and various retirement provisions have come into existence in view of the changing circumstances.

**Opportunities for Advancement**: The belief that individual merit is rewarded would appear to be closely related to the belief that there is chance to advance. Even where a worker does not believe that he deserves a promotion, it is still highly important to him that the best man be promoted. He might not believe that he is the best candidate for promotion, but if the best man was not promoted, there would be an unfavourable attitude in terms of belief that individual merit is not rewarded. Thus, promotions based on merit and competence develop a high climate of job-satisfaction. The general climate in the organisation reduces job satisfaction if employees perceive that promotions are based on personal considerations and not depend on competence, potential for
higher responsibility and merit. In such a climate, motivation to do good work is low and workers attempt to find the criteria (i.e. smart appearance etc.) on which promotion is based. This necessitates periodic appraisal of promotion policies.

Promotion motivates people when they are promoted to a job with higher challenge. Satisfaction declines if a person discovers that the new job where he has been promoted, lacks challenge. After some time, when the initial euphoria of getting a promotion is off, the individual feels dissatisfied if the new job does not have more challenge than the previous one. Therefore, if promotion is used as a motivator, an attempt should be made to increase the amount of responsibility, authority and challenges in the new job.

**Working Conditions**: Working condition is another factor which has been found to lead to feelings of dissatisfaction. Comfortable working conditions, when provided, tend to eliminate dissatisfaction and work restriction. Comfortable working conditions are ranked from about average to low in importance in the list of job factors, perhaps because they have been improved.

**Supervision**: Supervision is, without question, one of the most important factors related to job satisfaction. Like other factors that bring about satisfaction or dissatisfaction with a job, supervision does not operate independently of the situation; it is correlated with factors that also are important. It is psychologically significant that the workmen need a sympathetic supervisor. This may imply a preference for a supervisor
who helps in personal problems, does not interfere in work, overlooks faults and lapses, is friendly and grants favours. The things that the workmen want most in their supervisors are his technical and human skill and knowledge, desirable personal qualities and friendliness, and his concern for training and development of his subordinates.

Responsibility: Responsibility does not usually feature independently in the list of factors, people want most in their jobs. It, however, is an important factor which possibly gets mixed up with factors like opportunity of advancement, type of work, freedom, and challenge in job and so on. Responsibility usually goes with time on the job, age, salary, type of work, and participation, and it may have some relation to interest. In some studies managers have been found to have higher job satisfaction scores than workers implying that the level of satisfaction increases with level of responsibility.

Downward Flow of Information: Several studies have indicated a great desire of employees for information from management. They would like to know how they are doing and how they can improve. They also want to know about the company - its plans, processes and possibilities for promotion. Very few employees believe that they are getting more information than they want.¹

¹. Labour Management Relations in Public Sector undertakings - P. P. Arya
Labour Problems & welfare - M. Mustafa
Labour Welfare & Job Satisfaction - Pratibha Goel
The annexed table (Annexure-XII) shows the wage structure of Lal Imli Mills based on the minimum wages prescribed by the Government of Uttar Pradesh vide its notification under the Industrial Disputes Act. The pay scales indicated in the table take into account the increments against each grade. In addition to the above, the Lal Imli Mills pays house rent allowance at a minimum rate of Rs.15/- per month which is increased for higher categories up to 10% of the basic wage.

The incentive scheme in Lal Imli Mills were put into operation as and when the necessity arose for obtaining higher production. This could not become a permanent feature because of the sliding fortunes of mill. At present, as the utilization of production capacity is very poor, any incentive scheme is not expedient.
ROLE OF JOB SATISFACTION IN HARMONIOUS LABOUR MANAGEMENT RELATIONS

Human psychology has always influenced the social and economic problems. It has also influenced the industrial outlook all over the world. Workers were unhappy before the era of industrial revolution with their employment, and job satisfaction under that system was totally lacking. The industry changed its working environment not out of any compassion but because it wanted optimum results. In the history of human evolution, it is always the lack of satisfaction in the job which has led to the invention of higher working in the society. It is an eternal race to achieve satisfaction and it is that quest which brings new dimensions of development for the human race. Industry is no exception to this grand evolutionary process.

In India, almost in all the organised attempts to streamline, the problems of labour, emphasis has been given to create such working conditions which may be congenial to labour. The process of modernisation, rationalisation of work load, laying down and adhering to comprehensive scheme maintenance, welfare facilities on the shop-floor and outside, updating of the technology vocational training to the labour are all aimed at providing the maximum job satisfaction to the labour which was ultimately in the larger interest of industry itself. A suitable rise in the wages at regular intervals is also a part of this grand strategy. How important these measures are, can be found out from the production statistics of those industrial units which have gone all hog for these measures.
These activities to motivate the worker are no longer confined to the conventional practices as enumerated above.

The progressive organisations are bringing out new innovations not only at the level of their workers but even at higher levels. These innovations are based on the latest theories of physical culture, which imparts a desire to keep fit and inturn makes a worker more energetic to face the rigour of job. As a pact of this strategy many leading companies like DCM have started training up their employees in the act of transcendental meditation and have greatly optimised the production results. Religious discourses like hymns from Gita and Ramayan are recited over loud speakers during the lunch interval in the factories.¹

In the above backdrop, Lal Imli Mill has done fairly well historically. While laying down the foundation of the mill, the founders also constructed a large labour colony in the beautiful natural surroundings. Schools were set up to provide free education to the children of workers. McRobert's Ganj settlement, the labour colony of Lal Imli has always been considered as a place of pride in Kanpur. A dispensary, a library, a flushy green playground along with spacious labour quarters and two schools have given immense feeling of ease to the workers.

Inside the mills, with the passage of time, the workers have acquired technical ability to handle the machines and find themselves at home with their work. It is generally said that the weavers in Lal Imli

¹ 1. Labour Welfare & Job Satisfaction
   - Pratibha Goel
have adopted the trade in their families and people have worked for two or three generations in the Lal Imli as weavers. It is indeed a compliment to the management of the mill for providing such a congenial atmosphere to the workers. Facilities inside the mills are also quite satisfactory.

Adaptability of the workers to the new machinery with latest technology which were installed in the 90's is remarkable. The credit goes to the technical supervisors who learnt the technology within the time and trained up the labour without any loss of time.

The degree of job satisfaction amongst the workers has always created a healthy impact on the industrial relations. In Lal Imli, the disputes relating to the workers on the machine have been the least. The increased work load as laid down in Pandey Award could have been accepted by the workers most willingly, had it not been for political reasons and on the apathy of state government. The management has however missed one very important point which could have provided still better job satisfaction i.e. to arrange study trip in batches of workers to Bombay mills where they could have seen themselves, workers taking up much higher work load on identical machines.

The ENI has strongly suggested organising such study trips but the management did not pay any heed to it.

However, the glorious era of industrial harmony and the ideal degree of job satisfaction has come to an end in Lal Imli because
of some other problems relating to the management and the attitude of
the central government. The bureaucratic approach to the problems
including denial of working funds at the right time, lack of rationalisation
of work load, late initiation of scheme of voluntary retirement, apathy
of the government in providing efficient management to the mills, the
rampart in the higher management, lack of stability in management etc.
have contributed largely to the present state. For the last eight years the
mill has been working at much reduced capacity, depriving workers of
full load of work. This has created a crisis in the industrial culture and
workers are unhappy today. They are so because they do not have
adequate work to do. In this scenario, job satisfaction has once again
become a far cry.

This matter of the chapter is based on the interview with Mr. R K Pandey
Labour Welfare Officer, Lal Imli Mills and
Mr. Tulsi Ram
Mr. Ram Naresh
Mr. Chote Lal
Mr. Roop Singh
Mr. Shiv Kumar
Mr. Jagdish Prasad.
Workers of the Mill. (Questionnaire attached in the end. Annexure No. IX & X.)