

Subject: Management

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Paper: 01
Human Resource Management

Module: 29
Grievance Handling



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Items	Description of Module
Subject Name	Management
Paper Name	Human Resource Management
Module Title	Grievance Handling
Module Id	Module No.29
Pre- Requisites	Knowledge of Industrial relations
Objectives	To have a knowledge of Grievance handling
Keywords	Grievance, Grievance Handling, Grievance committee, Grievance redressal machinery.

QUADRANT-I

Module 29: Grievance Handling	
1.	Learning Outcome
2.	Introduction
3.	Causes of Grievances
4.	Methods of understanding employee grievances
5.	Grievance Redressal Machinery
6.	Grievance Handling
7.	Essentials of a good Grievance Procedure
8.	Summary

1. Learning Outcome

After completing this module the students will be able to:

- Understand the meaning and definition of Grievance.
- Know the causes of Grievance.
- Know the process of Grievance handling.
- Understand the benefits of Grievance redressal machinery.

2. Introduction

Grievances relate to problems of interpretation or perceived non-fulfillment of one's expectations from the organisation. A grievance is a complaint of one or more workers with respect to the organisation. It can be related to wages, conditions of work, leave, transfer, overtime, promotion, seniority, job assignment and termination of service.

- 2.1 According to **Dale Yoder** "A grievance is a written complaint filed by an employee and claiming unfair treatment."
- 2.2 **Keith Davis** defines it as "any real or imagined feeling of personal injustice which an employee has concerning his employment relationship."
- 2.3 According to **Jucius** "a grievance is any discontent or dissatisfaction, whether expressed or not, whether valid or not arising out of anything

connected with the company which an employee thinks believes or feels to be unfair, unjust or inequitable.”



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3 Causes of Grievances

An employee is dissatisfied and harbors a grievance when he feels there has been an infringement of his rights that his interests has been jeopardized. This sense of grievance generally arises out of misinterpretation or misapplication of company policies and practices.

Grievances mostly arise out of following reasons:

3.1 Concerning wages

Demand for individual adjustment; the worker feels that he is not paid fully.

Complaints about incentives; piece rates are too low or too complicated.

Mistakes in calculating the wages of the workers;

3.2 Concerning supervision

Complaints against discipline; inadequate instructions given for job performance.

Objections of having a particular foreman; the foreman playing favorite; the foreman ignores complaints.

Objections to the manner in which the general methods of supervision are used; there are too many rules; regulations are not clearly posted.

3.3 General working conditions

Unhygienic working conditions

Poor production standards

Non availability of tools, materials and equipments

3.4 Collective bargaining

The company is attempting to undermine the trade union and the workers who belong to that union; the contract with labor force has been violated; the company does not deal effectively with union grievances.

The company does not allow the supervisors to deal with and settle the grievances of the employees.

The company disregards the agreements already arrived at with the workers or their trade union.

3.5 Management policy

- 3.5.1. Wage rates and methods of wage payments
- 3.5.2 Overtime and incentive payments
- 3.5.3 Promotion, transfer and seniority issues
- 3.5.4 Lack of opportunities for career growth
- 3.5.5 Leave
- 3.5.6 Issues relating to employee conduct
- 3.5.7 Unhappy relations with the bosses

- 3.5.8 Unhappy relations with the union
- 3.5.9 Violation of company laws
- 3.5.10 Violation of rules, regulations, established traditions and accepted practices
- 3.5.11 Violation of labour laws

Grievances

- Grievance
 - Any factor involving wages, hours, or conditions of employment that is used as a complaint against the employer
- Sources of Grievances
 - Discipline
 - Seniority
 - Job evaluations
 - Work assignments
 - Overtime
 - Vacations
 - Incentive plans
 - Holiday pay
 - Problem employees



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4 Methods of Understanding employee grievances

4.1 Exit interview

Interviewing employees who have decided to quit the company could reveal a lot about what is not visible to the naked eye. These are very useful as the company can come to know what problems are being faced by the employees.

4.2 Opinion surveys

A survey could be undertaken to find out how employees feel about the company about the work, their colleagues.

4.3 Gripe boxes

Gripe boxes may be kept at prominent locations in the factory for lodging anonymous complaints pertaining to any aspect relating to

work. Since the person lodging the complaint need not reveal his identity he can reveal his feelings of injustice or discontent fairly and without any fear of victimization.

4.4 Open door policy

This is a kind of walk in interview or meeting with the manager when the employees can express his feelings about any work related grievance. The manager can cross check the details of the complaint through various means at his disposal.

4.5 Observation

In this grievance identification technique grievances are not heard from the aggrieved employee directly, rather the manager or the immediate supervisor constantly tracks the behavior of the employees working under him. If he comes across an employee who exhibits an indifferent attitude, experiences difficulties in getting along with people, mishandles or damages tools, equipment or materials due to carelessness or he/she is quite often absent then they infer such an employee has some serious grievances which needs immediate action and remedy.

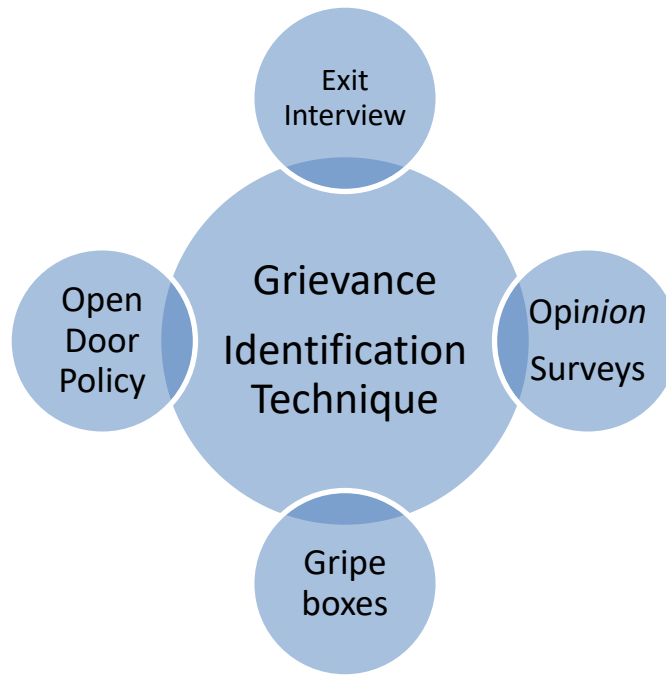


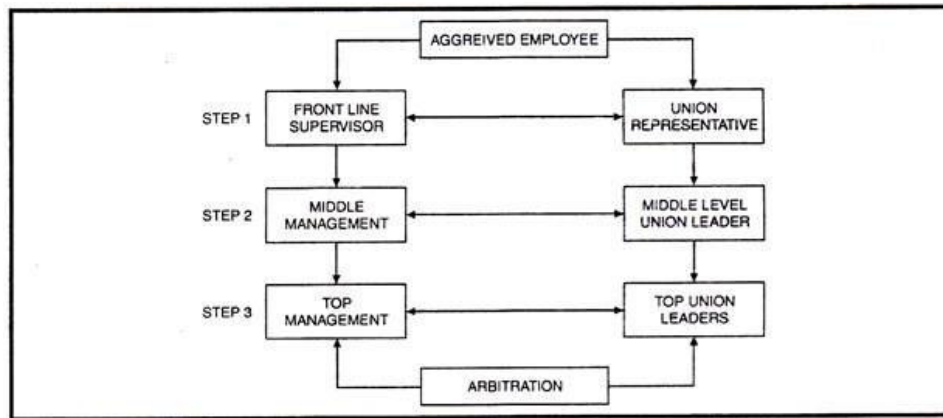
Figure 1 Methods of understanding employee grievances

5 Grievance redressal machinery

A grievance procedure is a formal process which is preliminary to an arbitration, which enables the parties involved to attempt to resolve their differences in a peaceful manner. It enables the company and the trade union to investigate and discuss the problem at issues without in any way interrupting the peaceful and orderly conduct of business. When the grievance redressal machinery works effectively, it satisfactorily resolves most of the disputes between labour and management.

The grievance procedure may be of an open door type or of step ladder type. In an open door policy the management asserts that no employee is prevented from going to it directly with his grievance and even meet the head of the firm in an effort to have his grievance properly attended to it. This type of policy is useful in case of small units.

5.1 Grievance Procedure



Grievance redressal procedure

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In an unionized organisation, the operation of the grievance procedure may contain the following steps:

- 5.1.1 The aggrieved employee verbally explains his grievance to his immediate supervisor or in a conference or a discussion specifically arranged for the purpose. The employee seeks satisfaction from his supervisor. The grievance can be settled if the supervisor has been properly trained for the purpose, and if he adheres strictly to a basic problem solving method.
- 5.1.2 The second step begins when the grievance is not settled by the supervisor. In this case it is sent to a higher level manager with a note in which are mentioned the time, place and nature of the action to which the employee objects. The higher level manager is generally a superintendent or an industrial relations officer.
- 5.1.3 Now the grievance is to be submitted to the grievance committee since the decisions of the supervisor and of the higher level manager have not solved the problem. The committee which is composed of some fellow employees, management representatives, considers the record and may suggest some possible solution.
- 5.1.4 If the decision or suggestion of the grievance committee is not accepted by the grievant he may approach the management or the corporate executive.

- 5.1.5 The final step is taken when the grievance is referred to an arbitrator who is acceptable to the employee as well as the management.

In practice grievance procedure differs from company to company. For example at Patni Computers the employees can file their complaints on the intranet through the “E-Care”-the grievance resolution system. The complaints centre around three areas ie human resources, facilities and project related. The response should be made within 4 days failing to which it is auto escalated to the next level- from the process owner to the function head to the management council.

5.2 Benefits of a grievance redressal procedure

A sound grievance redressal procedure offers the following benefits to an organisation.

- 5.2.1 Enables the management to know the pulse of its employees by learning about their feelings and opinions and about the policies and practices of the organisation.
- 5.2.2 Provides a channel to the aggrieved employees to express their grievances about various aspects of their jobs .
- 5.2.3 Provides clues about the behavior and attitude of the managers and supervisors towards their subordinates.
- 5.2.4 Gives an assurance to the employees about the existence of a mechanism for the prompt redressal of their grievance.
- 5.2.5 Boosts up the morale of the employees by ensuring that the grievance will be handled in a fair and transparent manner.

5.3 Statutory provisions concerning the Grievance Redressal Procedure in India

There are three important legal provisions that specify the rules relating to the grievance redressal procedure in Indian industrial organizations.

5.3.1 The Industrial employment(standing order) Act, 1946

Clause 15 of the model standing orders in schedule 1 of the industrial employment act makes it mandatory for every establishment employing 100 or more workers to have appropriate officers to deal with the complaints of the employees .

5.3.2The industrial disputes act, 1947

There shall be a grievance settlement authority in every industrial organization that employs 50 or more workers.

Whenever an industrial dispute arises in these organizations, the concerned worker or his union may refer such a dispute to the grievance settlement authority for settlement.

The grievance settlement authority in the due timeframe shall proceed the matter and conclude the proceedings.

There shall be no reference of any dispute to boards, courts or tribunals unless and until such a dispute was considered by the grievance settlement authority to reach a decision and the decision so reached became unacceptable to any one of the parties of the dispute.



Industrial Dispute Act, 1947

5.3.3 The Factories Act, 1948

Section 49 of the factories act makes it necessary the appointment of a welfare officer in every factory that employs 500 or more workers. These officers are actually responsible for settling the grievances of employees.

5.4 The Model Grievance Procedure

The National Commission on labour has suggested a model grievance procedure which would ensure a speedy settlement of grievance.

- 5.4.1 The aggrieved employee shall convey his or her grievance verbally to the officer designated by the management to deal with grievance, the officer will have to reply to the complaints within 48 hours of its presentation to him or her.
- 5.4.2 If the grievant is not satisfied with the answer or does not receive the answer within 48 hours he shall then present the grievance to the departmental head nominated for this purpose .The head must give his or her reply within three days of the presentation of the grievance.
- 5.4.3 If the aggrieved employee is still not satisfied with the decision of the departmental head or does not receive any reply within the stipulated period he can approach the grievance committee for the settlement of his grievance. The grievance committee has to give its recommendation in seven days and report it to management .The management must communicate the decision to the grievant within three days.
- 5.4.4 If the employee is still not satisfied with the decision made by the grievance committee or does not receive the decision from it, he can make an appeal to the management for a revision of the decision taken. The management can take a week for appeal to be considered and the revised decision is to be informed to the grievant .

- 5.4.5 If the employee is still not satisfied with the decision of the management, the grievance may be referred to voluntary arbitration within a week after the decision taken by the management in stage4.
- 5.4.6 The decision of the arbitrator is final and binding on both the parties ie the management and the union.

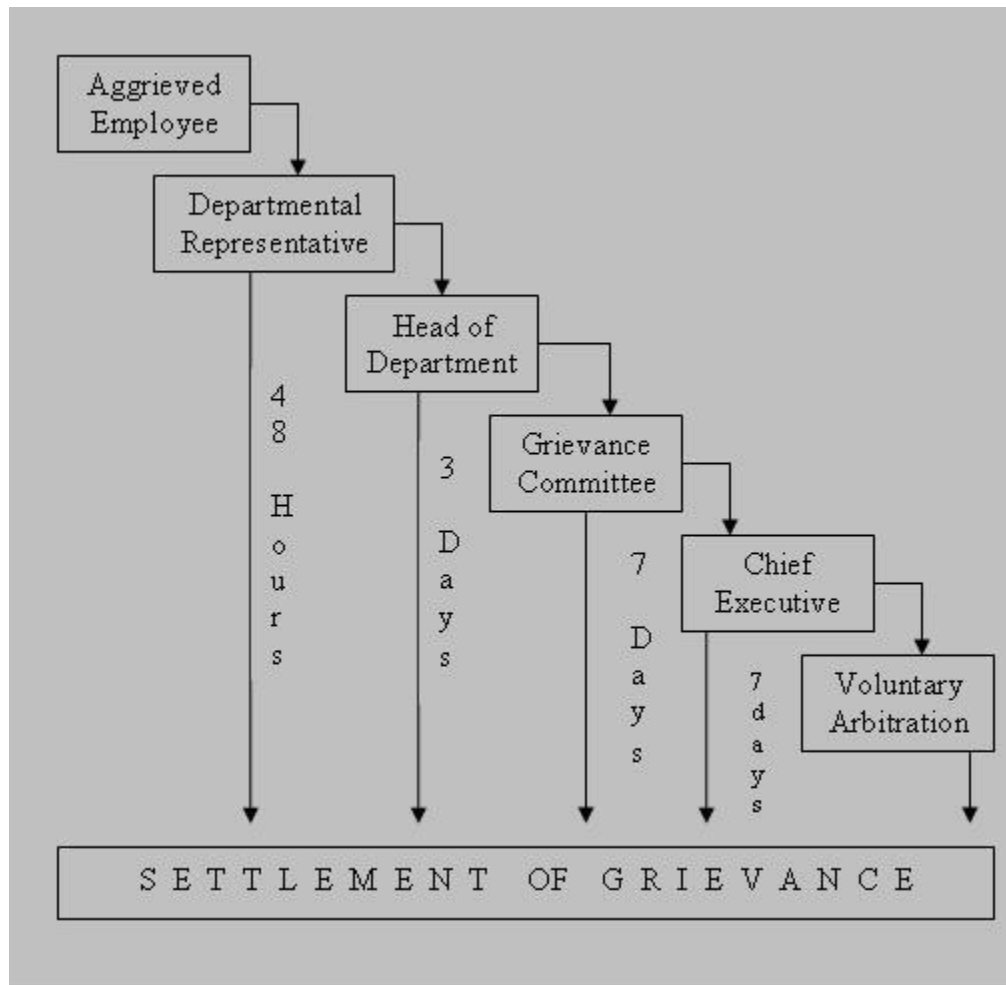


Figure 2 Model Grievance Procedure

6Grievance handling: Significance of non discriminatory schemes

Indian organizations **are** adopting various measures to motivate and retain their precious workforce. It is important for every organisation to make the employees feel that it cares for them. Thus it becomes

important for them to install and maintain an in built system to employees. The maintenance of a dynamic grievance identification and redressal is one such measure in employee retention strategy. For example at ONGC in order to keep its employees motivated the company has incorporated schemes such as grievance identification schemes, grievance handling schemes and suggestion schemes to identify and redress the grievances of the employees.

EMPLOYEE GRIEVANCE AND REDRESSAL



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7 Essentials of a Good Grievance Procedure

7.1. Legally Sustainable

It should be ensured by the organisation that its grievance procedure is in conformity with the existing laws of the nation. The procedure cannot violate any of the rights of the employees guaranteed by the law. In case of any disagreement between the grievance procedure and the legal provision on any matter the laws are supreme and binding.

7.2 Mutually Acceptable

In order to be effective the grievance procedure must enjoy the confidence of all relevant parties namely the management and the employees and the unions. The procedure must ensure equity, justice and openness in its operation to inculcate confidence in the minds of all the parties.

7.3 Easily understandable

The grievance procedure must be reasonably simple and easily understandable. It should be known to all the employees of the organisation. If an employee is having grievance he must know whom to contact and where to contact.

7.4 Highly flexible

The grievance procedure should be flexible enough to respond to the reported grievance.

8 Summary

A grievance is any discontent or dissatisfaction, whether expressed or not, whether valid or not arising out of anything connected with the company which an employee thinks believes or feels to be unfair, unjust or inequitable. Grievances may arise due to problems related to wages, general working conditions or due to problems relating to supervision. Grievances redressal procedure gives an assurance to the employees about the existence of a mechanism for the prompt redressal of their grievance.

There are few grievance identification techniques like open door policy, exit interviews, opinion surveys and gripe boxes. There is a model grievance procedure for handling grievances which ensures speedy settlement of grievance.