

# Journal of Multi-Disciplinary Legal Research

## Functionality of Grievance Handling Procedures

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# Functionality of Grievances Handling Procedures

## Abstract:

Every organization is sustainable in the market based on the employee productivity; employee productivity can be visible, if they are satisfied. Employee satisfaction can be possible by providing interesting work, job security, appreciation, growth, proper working conditions and organizational support at need. If any one of the above is not satisfied leads to grievance of the employee, which human resource manager must recognize at an early stage and try to resolve it as quickly as possible so that it should not turn into obstacle for the productivity. This paper highlights the importance of the grievance handling procedure and its role in employee satisfaction, which again leads to enhance the productivity of the employee.

## Introduction:

In the present scenario of competitive organizations, excellence in employee service is the most important tool for sustained business growth. Employee complaints are part of the business life of any corporate entity as every business has to deal with situations in which things go wrong from the employee's point of view. As a growth oriented organization, imparting good employee grievance handling and enhancing level of employee satisfaction should be the prime concern of any organization, if they are satisfied then only they can satisfy the customers. Providing prompt and efficient grievance handling is essential not only to attract new talented employees, but also to retain existing ones.

Inadequate job performance or a decline in productivity or changes resulting out of job disturbances requires some type of grievances handling procedures. As the job become more complex the importance of the employee development also increases. In a rapidly changing society, grievances handling of employees in the organization is not only an activity that is desirable but also an activity that an organization must commit resources to if it is to maintain viable and knowledgeable workforce.

## Causes of Grievances

### 1. Economic

Employees may demand for individual wage adjustments. They may feel that they are paid less when compared to others. For example, late bonus, payments, adjustments to overtime pay, perceived inequalities in treatment, claims for equal pay, and appeals against performance-related pay awards.

## **2. Work environment**

It may be undesirable or unsatisfactory conditions of work. For example, light, space, heat, or poor physical conditions of workplace, defective tools and equipment, poor quality of material, unfair rules, and lack of recognition.

## **3. Supervision**

It may be objections to the general methods of supervision related to the attitudes of the supervisor towards the employee such as perceived notions of bias, favouritism, nepotism, caste affiliations and regional feelings.

## **4. Organizational change**

Any change in the organizational policies can result in grievances. For example, the implementation of revised company policies or new working practices.

## **5. Employee relations**

Employees are unable to adjust with their colleagues, suffer from feelings of neglect and victimization and become an object of ridicule and humiliation, or other inter- employee disputes.

## **6. Miscellaneous**

These may be issues relating to certain violations in respect of promotions, safety methods, transfer, disciplinary rules, fines, granting leaves, medical facilities, etc.

# **Need for a Grievance Handling Procedure:**

Grievance procedure is necessary for any organisation due to the following reasons:

1. Most grievances seriously disturb the employees – This may affect their morale, productivity and their willingness to cooperate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence.
2. It is not possible that all the complaints of the employees would be settled by first – Time supervisors, for these supervisors may not have had a proper training for the purpose, and they may lack authority. Moreover, there may be personality conflicts and other causes as well.
3. It serves as a check on the arbitrary actions of the management because supervisors know that employees are likely to see to it that their protest does reach the higher management.

4. It serves as an outlet for employee gripes, discontent and frustrations. It acts like a pressure valve on a steam boiler. The employees are entitled to legislative, executive and judicial protection and they get this protection from the grievance redressal procedure, which also acts as a means of upward communication.

5. The top management becomes aware of employee problems, expectations and frustrations. It becomes sensitive to their needs, and cares for their well-being.

## **Employee Grievances Handling Procedure – With Legal Provision for Grievance Management in Indian Industry**

In this process a set of activities are to be carried in sequence for effective handling or managing grievances. Grievances are the dissatisfaction feeling of the individual. The dissatisfaction of employees gives strong impacts on individual, job, performance and future. In the beginning it is very small but later on the adverse impacts are not bearable. It is in the similar way that a person with disease cannot continue for a long time, employees with grievances cannot continue with the employment for long. It is to be taken care of at the earliest so that damages can be removed or minimized. The sincere efforts should be put to check the grievances in the beginning itself. Prevention is always better than cure. Responsible manager should immediately find out all grievances, their causes and must take appropriate steps to avoid the causes. The bad effects should be avoided. It should not hurt the feelings of employees. They should remain satisfied, loyal and committed to their work. It is very important for betterment of everyone concerned. Effective grievance management is an important function of HRM in an organisation.

**The managers should take the following steps for prevention/solution of grievances effectively:**

### **Step # 1. Prompt Action:**

As soon as the feelings of dissatisfaction felt the cause of it should be identified and resolved. The manager expert in grievance handling must be trained for effectively and timely managing grievances. This would avoid the adverse impacts on employees, their performance and organisation as well. So, the prompt actions are very essential.

### **Step # 2. Acceptance of Grievances:**

The manager must accept the grievances forwarded by the employees and must respect the true and real feelings of the employees. Acceptance of grievances would bring confidence in employees implies that the manager is interested for solution of the grievance without any bias. To some extent the feelings of dissatisfaction would be reduced and avoid frustration. In turn the working environment would be conducive.

**Step # 3. Collection of Information:**

Whether the grievances reported or not the management should take the preventive steps. The approach should be proactive. Before grievances, the management must develop the practice to interact, discuss, and share, and collect information regarding different issues of differences. If reported, in this case the information should be collected timely regarding nature and causes of grievances. This would help in prevention and redressal of grievances of employees.

**Step # 4. Cross Examining the Causes of Grievance:**

Once the grievances are reported and information regarding nature and causes of grievances collected. This information is to be cross-examined. The management should have the clear understanding regarding causes. Accordingly, remedial actions should be taken immediately to prevent repetition of the grievance and damages further.

**Step # 5. Logical Decision Making:**

On being identified the causes of grievances, the manager must generate a number of options for course of action. According to the policies and practices of the industry the best option is to be identified. The person liking of the managers or individuals should be avoided in making rational and more effective decision.

**Step # 6. Implementation and Review of Decision:**

The rational decision the management should not wait for a long time. The concerned parties should be taken into confidence and implement as early as possible. If not done so in right time, there is no use of putting the efforts for grievance prevention. Right and timely decision would be more effective. The decisions should be reviewed time-to-time to keep in line with the working of the company. Further, grievances can be avoided also.

An effective grievance handling/management process involved these steps would give the right approach to the grievances. First of the grievance would be checked in the beginning itself. Secondly, if at all the grievances have taken place despite of sincere efforts; the grievances would be redressed and would prevent these in future also. These steps are very essential for effective management of grievances. Under this situation the employees would ventilate their grievances freely and redressal would become very easy if at all grievances are reported.

**Legal Provision for Grievance Management in Indian Industry:**

Government of India has made legal provisions under different labour laws for Indian industries. The main Acts are Industrial Employment (Standing Orders) Act, 1946, Industrial Disputes Act, 1947, amended in 1965, and Factories Act, 1948. At present, these three labour laws are dealing with grievances of employees working in industries. Under Factories Act, 1948 there is provision for the appointment of a welfare officer in every factory where 500 or more workers are employed. Welfare officers look after complaints and grievances of workers

relating to their workplace. He looks into the requirements of workers and ensures that there is proper implementation of the existing Factories Act, 1948. There are provisions regarding grievances or disputes relating to discharge, dismissal, lay off and retrenchment for relief under Industrial Disputes Act, 1947 which was amended later on in 1965. On these issues many times the cases have been decided by Supreme Court of India and High Courts also.

Further, under The Industrial Employment (Standing Orders) Act, 1946, there is provision that requires that standing orders are to be framed by every establishment employing 100 or more workers. Relating to this the provision is for redressal of grievances of workers against employers or their agents for unfair treatment and wrongful actions taken in the establishment. However, the legal provisions regarding grievances have not been implemented properly by the employers. They are not fair in their approach. In organised sectors also the welfare officers are not much interested to implement the provisions. They are not well committed to their jobs and sometime they play dual roles in the establishment. Some of the establishments in public sector are doing well in this regard. Other side the larger establishments in private sectors are doing well in redressal of grievances of employees. It is unfortunate on the part of public sector establishments for unsatisfactory progress in case of grievance handling.

### **Employee Grievances Handling Procedure – Procedures of Grievance Handling Suggested by Experts: Open Door Policy, Step-Ladder Policy and Grievances Handling Committee**

The grievances are very harmful and these need proper and timely redressal. If not then there can be many fold problems in the industry. For proper handling of grievances there is need for an adequate procedure that can assign the responsibility step-by-step for effective management of grievances. Grievance handling procedure is a systematic way of handling the grievances in which step-wise the responsibility for handling is assigned. It is a formal process of presentation of grievances and handling the grievances for redressal. It can be said that it is a formal communication process between the frustrated employees and management for settlement of their grievances. The main topic is there that what should be procedure for different types of organisations.

There are small, medium, and large sizes of organisations. The concern is that one procedure may not be suitable for all organisations. To deal with this situation the academicians and industrialists thought for different procedures for different sizes of organisations.

#### **The main features of grievance and grievance handling are the following:**

- (a) Differences, conflicts and grievances are essential aspect of industrial life everywhere.
- (b) It is essential to bring the grievance to the notice of management for settlement
- (c) All these cannot be eliminated through grievance handling but can be controlled to a good extent

- (d) Redressing of grievances relieves employees from frustration and helps in improving relationship, commitment level, performance and working environment.
- (e) It leads to enhance overall effectiveness in business, profitability, leader position and image.

The differences/conflicts or grievances can be brought to the knowledge of authority for settlement and can be done through direct observation, suggestion boxes, exit interview, employees counselling, grievance handling procedure, frequent interaction with employees and other methods.

Further, the experts suggested the different procedures to deal with the grievances in various organisations and these are the following:

1. Open door policy.
2. Step-ladder policy.
3. Grievance handling committee.

#### **Procedure # 1. Open Door Policy:**

According to the name of the policy, it is clear that there is restriction on employees to present their grievances and get solution to their grievances. The doors of the top management of the company are kept opened. The aggrieved employee is free to meet and express their grievances to the top executives of the organisation and get his grievances redressed. This open door policy for settlement of grievances is suitable for small organisations. The top executives are directly in touch with the employees and know them personally. According to the small size of the organisation this is useful and accepted by such organisation. It takes very less time and gives timely and proper settlement of grievances. This policy is not suitable for large organisation.

#### **Procedure # 2. Step-Ladder Policy:**

This policy is used by the medium and large size of organisations. The employees are more in numbers and the executives are also busy with their tasks. They cannot spare time for everyone frequently for grievances redressing. A policy is suggested and that includes steps. It is called step ladder policy. The aggrieved employee has to follow a step-by-step procedure for presenting and getting his grievance redressed. In this policy, whenever an employee is dissatisfied, he can present his problem to his immediate supervisor. The immediate supervisor would look into the grievances and would give the solution within shortest period. If not satisfied with superior's action then the supervisor or he can present the grievance to his department head. The departmental head would look into the grievances and give the decision as early as possible. If he feels he can discuss with the grievance committee formed for this purpose. The grievance committee has the representatives of management and employees as well. If this step has not given the solution then it may be referred to the top or chief executive of the organisation. If he also fails in his attempt for redressing the grievances then it is referred to the voluntary arbitration where the decisions of the arbitrator would be a

binding on both the parties. In this the time limit for different authorities for redressing is not specified. It may vary from organisation-to-organisation with the interest to redress as early as possible.

### **Procedure # 3. Grievance Handling Committee:**

The concept of grievance handling committee was suggested by the experts for handling of grievances of employees in an organisation. In this concept, the management has to appoint a grievance committee for redressing of grievances. In this committee the representatives of management and employees are appointed in equal number. The cases of grievances can be referred for this committee for settlement. Under model grievance handling procedure there is provision for grievance committee under step 3. The managers refer the cases for recommendations to the committee. This can give suggestions to the management in redressing the grievances.

After independence the efforts were put sincerely for fixing the procedure for redressing the grievances in Indian industry. Indian Labour Conferences were conducted and in its 16th conference a model procedure for redressing of grievances was recommended for industries in India. Under it the provisions were made for appointment of workers' representatives in each department and they would deal the grievances in the first step. The Model Grievance Procedure discussed in detail all the steps to be followed for redressing grievances.

### **These steps are explained in detail below:**

#### **Step 1:**

In the first step when an employee feels aggrieved then he presents his grievance to departmental representative, who is appointed as a representative of management. He has to give his answer within 48 hours/two days. He would give his decision to the aggrieved party.

#### **Step 2:**

In this step when the departmental representative failed to give the solution or has not taken any decision, the aggrieved employee can present his grievance to head of the department where he is working. The head of department looks into the grievances when submitted to him and give his decision within 3 days from the date of submission of grievance.

#### **Step 3:**

When under step two the head of the department gives the decision and aggrieved employee is not satisfied he can take the grievance to Grievance Committee. Within 7 days from the date of submission of grievance, the Grievance Committee makes its recommendations to the manager who submitted grievance to the committee.



The decision of top management on the basis of report of Grievance Committee would be communicated to the aggrieved employee within 3 days from the date of receipt of report. Further, if the aggrieved employees not satisfied then again appeal can be made to the management for revision. On appeal for revision of decision, the management must give the decision to the aggrieved employee within seven days from the date of appeal.

#### **Step 4:**

In this step when aggrieved employee is not satisfied from the decision of top management on grievance redressing, the remains unsolved and he can refer this case for redressing to voluntary arbitration. The decisions of the arbitrator would be a binding on both the parties under law. The model grievance handling procedure provides guidelines to the company for redressing of the employee's grievances. The necessary changes if needed the organisation can make and suit to their requirements. This contributes in maintaining a formal communication pattern between employees and management for redressing of grievances.

### **Employee Grievances Handling Procedure – With Pre-Requisites of a Sound Grievance Handling Procedure**

The formal mechanism adopted for dealing with dissatisfaction among the workers is called the grievances handling procedure. In simple words, it is as a formal system of several steps through which affected employee can take his grievance to successively higher levels of management for redressal. It is also a means available to management to keep a check or relevant diagnostic data on the state of the organisation's health. In a large organisation a grievance handling procedure plays crucial role because a large organisation has numerous personnel and many different levels due to which the manager is not in a position to keep a personal check on each individual or be engaged in every aspect of the working of the organisation. On the other hand, a small organisation, communication, knowledge and contact is possible to a much greater extent, thus reducing the need for a formal grievance procedure.

#### **Grievance Handling Procedure:**

##### **1. Check on the Arbitrary Actions:**

It serves as a check on the arbitrary actions of the management the reason is supervisors know that employees are likely to see through it that their protest does reach the higher management.

##### **2. An Outlet:**

It serves as an outlet for employee gripes, discontent and frustrations.

##### **3. Submission of Grievances:**

The management has complete authority to operate the business as it sees fit subject, of course, to its legal and moral obligations and the contracts it has entered into with its workers or their representative trade union. But if the trade union or the employees do not like the way the management functions, they can submit their grievance in accordance with the procedure laid down for that purpose.

**4. To Check the Grievances Assuming Explosive Position:**

Most grievances seriously disturb the employees. This may affect their morale, productivity and their willingness to cooperate with the organisation. If an explosive situation develops, this can be promptly attended to if a grievance handling procedure is already in existence.

**5. To Settle the Unsettled Complaint:**

It is not possible that all the complaints of the employees would be settled by first-time supervisors, for these supervisors may be having had a proper training for the purpose and they may lack authority. Moreover, there may be personality conflicts and other causes as well.

**Pre-Requisites of a Sound Grievance Handling Procedure:****1. Acceptability:**

The grievance procedure should be developed with mutual consultation among all the parties viz. management, workers and the union so that all the parties accept it without any confusion.

In order to be generally acceptable, the procedure must ensure the following:

- (i) A cause of fair play and justice to workers.
- (ii) Reasonable exercise of authority to managers.
- (iii) Reasonable participation to the union.

**2. Legal Sanctity:**

It is necessary that the procedure should be in conformity with the existing law. It should be designed to supplement the statutory provisions. Wherever possible, the procedure should make use of the machinery provided under legislation. The procedure may be incorporated in the standing orders or collective bargaining agreement of the organisation.

**3. Follow-Up:**

A periodical review of working of the grievance procedure is required. Necessary improvements should be made to make the procedure more effective.

**4. Simplicity:**

The procedure should be simple not complex. It is simple only when it consists of as few steps as possible. Channels for handling grievances should be carefully developed. Employees must know the officers to be contacted at each level. Information about the procedure should be communicated to the employees.

**5. Training:**

Supervisors and union representatives require a specific training in grievance handling. This will help to ensure effective working of the grievance procedure.

## **6. Promptness:**

The grievance procedure must contain quick response of redressal the grievances.

The promptness can be ensured in the following ways:

- (i) The grievance should be settled at the lowest level as possible.
- (ii) There should be a single appeal.
- (iii) Time limits should be prescribed and rigidly enforced at each level.
- (iv) Different types of grievances may be referred to appropriate authorities.

## **Steps Involved in Grievance Handling Procedure:**

**Step I to identify grievances** – The grievances should be identified by the management if they are not manifested or expressed. In case they are ventilated, the management must promptly acknowledge them.

**Step II to mention correctly** – The management after identifying or has to mention it as the problem properly and accurately.

**Step II collecting data** – Complete information should be collected from all the parties relating to the grievance. Information should be classified into various categories like facts data, opinions, etc.

**Step IV to analyses and solve the issue** – The information should be analysed, alternative solutions to the problem should be developed and out of the various solutions the best one should be selected.

**Step V prompt redressal** – The grievance should be redressed by implementation the solution.

**Step VI implementation and to follow-up** – Implementation of the solution must be followed up at every stage in order to ensure effective and speedy implementation.

## **Employee Grievances Handling Procedure – 10 Model Grievance Handling Procedure Suggested by the National Commission on Labour (With Advantages and Disadvantages)**

The model grievance handling procedure suggested by the National Commission on Labour involves the following successive time-bound steps each leading to the next, in case of dissatisfaction:

**1. Conveyance grievance to the foreman** – The aggrieved worker in the first instance will approach the foreman and tells him of his grievance orally.

**2. Approaching the supervisor** – The foreman has to redress his grievance and if the worker is dissatisfied with this redressal, he can approach the supervisor.

**3. Going to the step higher to supervisor** – The supervisor has to reply within 48 hours. In the event of the supervisor not answer or the answering not being acceptable to the worker, the worker goes to the next step.

**4. Approaching the H.O.D.** – At this stage, the worker (either alone or accompanied by his departmental representative) approaches the Head of the Department who has to give an answer within three days.

**5. Appeal to the grievance committee** – If the Departmental Head fails to answer or if the worker is dissatisfied with his answer, the worker may appeal to the Grievance Committee, consisting of the representatives of the employer and the employees.

**6. Communication with the managers** – The recommendations of this committee should be communicated with the manager within seven days from the date of the grievance approached.

**7. Unanimous decision** – Unanimous decisions, if any, of the committee shall be implemented by the management.

**8. Decision to be taken by the manager** – If there is no unanimity, the views of the members of the committee shall be placed before the manager for his decision. The manager has to take a decision and inform the worker within three days.

**9. Appeal against managers decision** – The worker can make an appeal against the manager's decision and such an appeal has to be decided within a week.

**10. Voluntary arbitration** – A union official may accompany the worker to the manager for discussion and if no decision is arrived at this stage, both the union and management may refer the grievance to voluntary arbitration within a week of the receipt of the final decision of management.

#### **Advantages:**

Grievance handling procedure contains the following advantages:

**1. Bringing to light** – It brings grievances into the open so that management can learn about them and try corrective action.

**2. Preventing the grievance from growing to dispute** – It helps in preventing grievances from assuming big proportions. The management catches and solves a grievance before it becomes a massive dispute.

**3. The way to improvement** – It enables the management to know the attitudes and feelings of employee concerning the policies, rules and practices of the organisation. With such knowledge necessary improvements in policies and rules can be made.

**4. Check on management** – It acts as a check upon arbitrary and capricious management action. When a manager knows that his actions are subject to challenge and review in a grievance system, he becomes more careful in taking his decisions.

**5. Emotional release** – It provides employees a formalised means of emotional release for their dissatisfactions. Even if a worker does not use the grievance system for his own emotional

release in a particular situation, he feels better because he knows the system is there to use if he wants to do so. It creates a sense of emotional security for them.

**6. Maintenance of work culture** – It helps in establishing and maintaining a work culture or way of life. As problems are interpreted in the grievance procedure, the group learns how it is expected to respond to the policies that have been set up.

**Disadvantages:**

**1. Dependence on unions** – Instead of being involved in actions to solve problems, members learn to sit back and expect “the union” to take care of everything.

**2. Variation in procedure** – Procedures may vary from organisation to organisation. Reprisals by management against grievant employees can happen.

**3. Undue delay** – Management can delay a final decision, frustrating members and putting economic pressure on those affected, particularly in discharge cases.

**4. Lack of human skills** – Human relations skills may be lacking to deal with the grievances at successive steps.

**5. Time consuming** – It can be time consuming and costly.

## Conclusion

The grievances are very harmful and these need proper and timely redressal. If not then there can be many fold problems in the industry. For proper handling of grievances there is need for an adequate procedure that can assign the responsibility step-by-step for effective management of grievances. Grievance handling procedure is a systematic way of handling the grievances in which step-wise the responsibility for handling is assigned.

Research

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