
UNIT 12 EMPLOYEE GRIEVANCE HANDLING

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12.0 OBJECTIVES

The purpose of this Unit is to enable you to understand:

- the nature and sources of employee grievances, and their effects,
- the significance of the need for a grievance handling mechanism, and
- different approaches to grievance handling and possible outcomes.

12.1 INTRODUCTION

In employment relationships both employer and employee have mutual expectations. When an employee's expectations are not fulfilled he or she will have a grouse against the employer because of the disagreement or dissatisfaction it causes. Similarly when employer's expectations about an employee are not fulfilled, the employer will have a grouse against such an employee. It may be a problem of indiscipline. In this Unit we have attempted to familiarise you with the various issues related to employee's grievances. Starting with a definition of grievance, the Unit goes on to discuss why grievances occur, how they are discovered and handled and what steps or precautions are taken in this regard.

12.2 WHAT IS A GRIEVANCE?

Broadly, a grievance can be defined as any discontent or dissatisfaction that an employee has with any aspect of the organisation. It can be real or imaginary, legitimate or ridiculous, stated or unvoiced, written or oral. It must, however, find expression in some form or the other.

Discontent or dissatisfaction **per se** is not a grievance. They initially find expression in the form of a complaint. When a complaint remains unattended and the employee concerned feels a sense of lack of justice and fair play, the dissatisfaction grows and assumes the status of a grievance. Usually grievances relate to problems of interpretation or perceived non-fulfilment of one's expectations from the organisation. Grievance can be unvoiced or stated in which case it can be either written or oral. In most of the cases the grievance can be broadly of three types:

- 1) **Legitimate Grievance:** This is a real grievance when there is a cause to believe that there has been some sort of original contract violation. However, it has been observed that the clauses in a contract have different meaning for different people.

- 2) **Imagined Grievance:** As the name suggests, the employee believes that there has been a violation of some clause or the management has not applied the clauses in the right manner. The real cause of grievance can be something very trivial but is given great importance by the employee. Mostly, it is due to some misunderstanding that such grievances occur.
- 3) **Political Grievances:** These grievances are very difficult to solve. Mostly these grievances are connected with Unions. At times the Union may keep harping about a grievance without merit as to get a good standing with its members. This hampers the smooth running of the organisation as both the parties try to pursue their point of view.

It is important to make a distinction between individual grievances and group grievances. If the issue involved relates to one or a few individual employees, it needs to be handled through a grievance procedure. But when general issues with policy implications and wider interest are involved they become the subject matter for collective bargaining. Ideally in individual grievance redressal, unions should have less or no role, while in grievances of a collective nature and wider ramifications, the unions need to be involved.

For our purpose, in this Unit, grievance has a narrow perspective; it is concerned with the interpretation of a contract or award as applied to an individual or a few employees.

12.3 WHY GRIEVANCES?

In a service industry a manager cannot afford to assign a front-line job to an employee who holds a grievance against the organisation. You can well imagine the result if the tour escort or a hotel receptionist is a dissatisfied employee. For a successful manager it is essential not only to be aware about the employee's grievance but also to understand why a grievance has occurred.

Grievances may occur for a variety of reasons:

Economic : Wage fixation, wage computation, overtime, bonus, commissions etc. Employees feel they are getting less than what they ought to get.

Work Environment : Poor working conditions, defective equipment and machinery, tools, materials, etc.

Supervision : Disposition of the boss towards the employee. Perceived notions of favouritism, nepotism, bias, etc.

Work Group : Strained relations or incompatibility with peers. Feeling of neglect, ostracisation and victimisation.

Work Organisation : Rigid and unfair rules; too much or too less work responsibility; lack of recognition, etc.

S. Chandra's study (1968, **Grievance Procedure: A Survey of Practices in India**) on grievance procedure and practices revealed the following as some of the main causes of employee grievances:

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|--------------------------|------------------------|
| 1) Amenities | 9) Nature of job |
| 2) Compensation | 10) Payments |
| 3) Conditions of work | 11) Promotions |
| 4) Continuity of service | 12) Safety environment |
| 5) Disciplinary action | 13) Superannuation |
| 6) Fines | 14) Supersession |
| 7) Leave | 15) Transfers |
| 8) Medical benefits | 16) Victimisation |

The list is indicative and not comprehensive.

The apparent causes or sources of grievances may not always be the real ones. There is need for deeper analysis of the policies, procedures, practices, structures and personality dynamics in the organisation to arrive at the real causes of grievances.

Grievances stem from management policies and practices, particularly when they lack consistency, uniformity, fair play and the desired level of flexibility. Grievances also may arise because of intra-personal problems of individual employees and union practices aimed at reinforcing and consolidating their bargaining strength. The absence of a proper two-way flow of communication can indeed be a fertile ground for breeding grievances.

Grievances can have several effects which are essentially adverse and counterproductive to organisational purposes. The adverse effects include:

- a) Loss of interest in work and consequent lack of morale and commitment
- b) Poor quality of work and service
- c) Increase in wastage and costs
- d) Increase in employee turnover
- e) Increase in absenteeism
- f) Indiscipline
- g) Unrest
- h) Lack of customer care
- i) Bad reputation for the organisation, etc.

In tourism these adverse effects not only harm the organisation but have a much wider repercussion as the destination itself gets a negative image.

12.4 HOW TO HANDLE GRIEVANCES

Employee grievances are essentially human problems, real or imaginary. Whatever be the cause, the approach should be humane. Sensitivity and empathy are required in handling grievances diligently and they need to be handled with care. There is no definite formula or a single way in this regard yet one can try out certain tested measures:

Firstly, employee **grievances have to be handled promptly**. An aggrieved employee suffers from a sense of injustice being done to him or her. Recall the adage, 'Justice delayed is justice denied'. The need to handle grievances promptly cannot be over-emphasised. In a good many cases, trivial issues concerning one or a few employees become collective issues and are blown out of proportion causing avoidable loss and bitterness, because they were not dealt with properly and promptly.

Secondly, employee **grievances will have to be settled at the level at which they occur** in order to avoid the feeling of injustice at the interacting group level. If an employee has a grievance, with or about a supervisor and if it is redressed not at the concerned supervisor's level but one or two levels above him or her, the employee continues to be dissatisfied about the supervisor because he or she has not been able to resolve it. Since, someone else had done it, the loyalties change. In the process, supervisory authority gets eroded. Hence, it is important to have the grievances settled, preferably at the level at which they occur.

Thirdly, when grievances occur, it is **important to record them as to make sure that they do not recur**. If more grievances occur over the same issue, time and again and more number of employees are found to have a similar grievance, the focus should shift from person and (grievance) procedure to policy and practices. An archaic rule may continue to be the cause of

much irritation among many employees. Then it is appropriate to take a re-look at the particular aspect of policy and alter or modify the same rather than get bogged down with redressing each and every case. If some grievances are recurring in nature, the strategy should be to prevent rather than cure them.

12.5 THE DISCOVERY OF GRIEVANCES

Knowledge about grievances is important in handling them. Upward channels of communication provide the dependable sources for discovery of grievances. One can also come to know about grievances through gossip and grapevine or through unions. It is always preferable to have first hand knowledge based on observation and through direct communication from the employee concerned. Some of the important ways of discovering grievances are briefly outlined here.

- 1) **Direct Observation:** A good manager must know how his or her subordinates behave in ordinary circumstances. When significant changes in that behaviour occur, it is sure to affect performance. Absenteeism, lateness, indifference, etc. are some of the forms in which discontent and dissatisfaction find expression. A careful analysis of grievance rates, accident rates, requests for transfer, indiscipline, etc., may reveal general patterns that are not easily discernible in the first instance.
- 2) **Grievance Procedure:** The most important channel through which discontent and dissatisfaction can be communicated is through grievance procedure. A grievance procedure provides an avenue and an opportunity to an employee to give vent to his or her grievances. The dilemma most managers face is whether and how far they should encourage or discourage grievances. If management does not induce employees to express their grievances, unions will do so. Discouraging employees from expressing grievances means ignoring grievances. When they simmer and burst, managements find it beyond their capacity to deal with them adequately. Thus, it is important to have a grievance procedure to process grievances. This aspect is discussed in detail, in a subsequent Section in this unit.
- 3) **Gripe Boxes:** The gripe box is a facility to file anonymous complaints about the various causes of discontent and dissatisfaction in the organisation. It is different from the suggestion scheme system that may be in vogue in a company. In this case, anonymity is assured and there is no reward or punishment. The limited purpose is to let the management know what the employees feel without fear of victimisation.
- 4) **Open-door Policy:** Most organisations preach open-door policy but do not practice it. The policy is good and democratic, but usually ineffective and at times counter-productive. Organisations would do well to have a grievance procedure. If a grievance procedure exists, open-door policy becomes redundant.
- 5) **Exit Interview :** Employees usually quit organisations due to dissatisfaction or better prospects elsewhere. It requires certain skill to get to know the real reasons for leaving the job. Exit interviews, if conducted effectively, can provide vital information to improve personnel policies, and identify the weaknesses and strengths of the organisation. Some organisations mail an exit questionnaire three months after an employee leaves so that he need not fear about a poor reference and give the truth, without fear or favour.
- 6) **Other Channels :** Group meetings, periodical interviews with employees and collective bargaining sessions, etc. are some of the other channels through which one can have information about employee discontent and dissatisfaction before they become grievances or disputes.

Each channel referred to above serves the purpose in a different way. Using more than one channel is desirable because it may not be possible to get information about all types of dissatisfaction from one channel. For example, the type of information one can get through a

grievance procedure would be perceptibly different from what one can get from a gripe box or an exit interview.

Check Your Progress-1

1) What do you understand by grievance?

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2) How would you handle grievances?

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12.6 THE PROCESSING OF GRIEVANCES

As already discussed, there are valid reasons to have the grievances processed through a machinery or procedure. A grievance procedure can be **voluntarily** established by the management or **installed** as a result of a **collective agreement** to that effect. Whether unionised or not, organisations should not wait for unions to raise their voice and use the strength in establishing a grievance procedure.

The purpose of a grievance procedure is to:

- let aggrieved employees know what to do if they have a grievance and where to look for or appeal to,
- ensure that the procedure of grievance handling is limited to a very few steps, as that the employees know that their grievances will be handled promptly and a solution will be found for it as soon as possible, thus lifting the morale of the concerned employee,
- check on arbitrary management decision by providing for appeals in at least three levels above the level at which such grievances occur. However, the less frequently the higher levels are used, the more effective they become,
- promote fair, viable, equitable treatment and personnel practices having regard to the rights of the employee. The superiors will be more careful in their arbitrary use of power and authority so that the employees have belief in the procedure, and
- assist in minimising discontent and dissatisfaction that may have adverse effects upon cooperation and productivity.

The details of a grievance procedure/machinery may vary from organisation to organisation. Here, a four stage model, (see **Figure-I**) is suggested. The first and the last stages have universal relevance, irrespective of the differences in the procedures at the intermediate stages. The four stages of the machinery are briefly discussed here:

i) **The level at which grievance occurs:** The best opportunity to redress a grievance is to resolve it at the level at which it occurs. An employee's grievance should be resolved by his or her immediate boss, the first line supervisor. The higher the discontent rises through the hierarchy, the more difficult it is to resolve. Bypassing the immediate boss would erode his

or her authority. When the process moves to a higher stage, the aggrieved employee and the supervisor/immediate boss concerned may shift their focus to save face by proving the other wrong. The substantive aspect of any of the grievances may thus be relegated and dysfunctional aspects come to the fore thus making it more difficult to settle the issue.

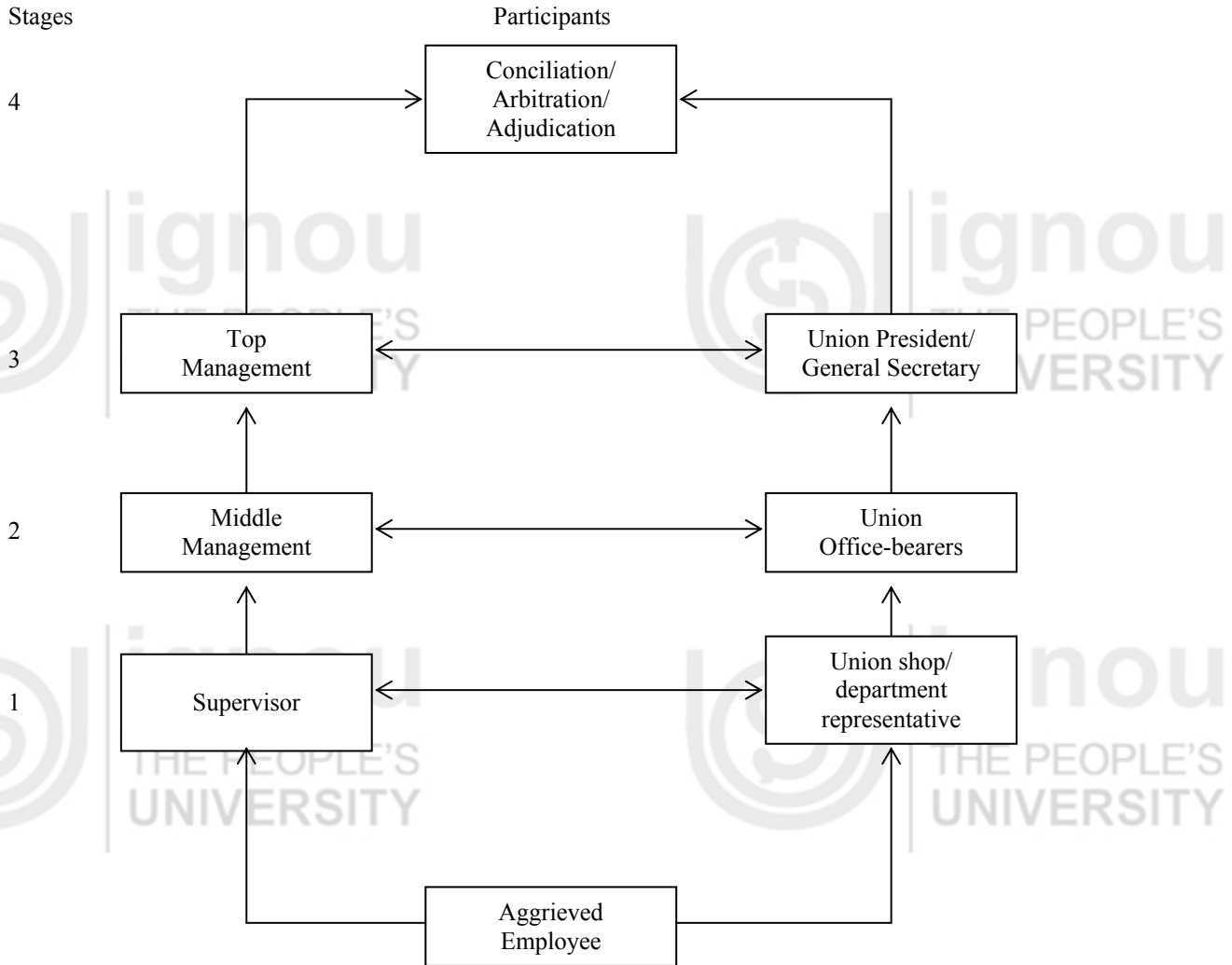


Figure I : A Grievance Procedure

In a unionised concern, the first stage of the procedure usually involves three people: the aggrieved employee, his or her immediate boss and the union representative in the shop/department. It is possible to involve the union in laying down the framework of the grievance procedure and thereafter restrain union involvement in the actual process, at least in the first two stages. The choice depends on the top management's attitude and orientation towards the dynamics of union-management relations.

Supervisory role needs to be strengthened, with appropriate training in problem solving skills, grievance handling and counselling so that he or she can do much in reducing the number of grievances that get passed to higher stages in the machinery.

Unrealistic policies and expectations and lack of commitment for equity and fair play can cause problems in handling grievances at the lower level. Inadequate delegation of authority may also inhibit a supervisor's effectiveness in handling grievances at his/her level.

ii) **Intermediate Stage:** If the dispute is not redressed at the supervisor's level, it will usually be referred to the head of the concerned department. It is important that line management assumes prime responsibility for the settlement of a grievance. Any direct involvement by personnel department may upset balance in line-staff relations.

At the intermediate level, grievance can be settled with or without union involvement. Excessive reliance on supervisor at this stage can jeopardise the interest of the employee and affect the credibility of the procedure.

iii) **Organisation Level:** If a grievance is not settled at the intermediate level also, it will be referred to the top management. Usually a person of a level not less than General Manager designated for the purpose will directly handle the issue. By now, the grievance may acquire some political importance and the top leadership of the union may also step in formally, if the procedure provides for it and informally, if the procedure prohibits it. At this level it is very difficult to reconcile the divergent interests and a very tactful handling is required depending on the situation.

iv) **Third Party Mediation :** If the grievance has not been settled bilaterally within the organisation, it goes to a neutral third party for mediation. It could be conciliation, arbitration or adjudication or the matter may even be referred to a labour court. At this stage, the parties concerned lose control over the way the grievance is settled. In case of mediation (conciliation or arbitration) the mediator has no authority to decide, but in case of labour court or an adjudicator, the decision will be binding on the parties, subject to statutory provisions for appeal to higher courts.

In small organisations, as the case is most tourism enterprises, grievances can be processed on personal contact basis with immediate solutions.

12.7 STEPS IN GRIEVANCE HANDLING

At any stage of the grievance machinery, the dispute must be handled by some members of the management. In grievance redressal, responsibility lies largely with the management. And, as already discussed, grievances should be settled promptly at the first stage itself. The following steps will provide a measure of guidance to the manager dealing with grievances:

- 1) **Acknowledge Dissatisfaction :** Managerial/supervisory attitude to grievances is important. They should focus attention on grievances and not turn away from them. In this case, ignorance is not a bliss, it is the bane of all organisational conflict. Condescending attitude on the part of supervisors and managers would aggravate the problem.
- 2) **Define the Problem:** Instead of trying to deal with a vague feeling of discontent, the problem should be defined properly. Sometimes a wrong complaint is given. By effective listening, one can make sure that a true complaint is voiced.
- 3) **Get the Facts:** Facts should be separated from fiction. Though grievances result in hurt feelings, the effort should be to get the facts behind the feelings. There is need for a proper record of each grievance.
- 4) **Analyse and Decide:** Decisions on each of the grievances will have a precedent effect. While no time should be lost in dealing with them, it is no excuse to be slipshod about it. Grievance settlements provide opportunities for managements to correct themselves, and thereby, come closer to the employees. Horse-trading in grievance redressal due to union pressures may temporarily bring union leadership closer to the management, but it will surely alienate the workforce away from the management.

- 5) **Follow up:** Decisions taken must be followed up earnestly. They should be promptly communicated to the employee concerned. If a decision is favourable to the employee, his or her immediate boss should have the privilege of communicating the same.

Some of the common pitfalls that managements commit in grievance handling relate to:

- a) stopping the search for facts too soon;
- b) expressing a management opinion before gathering full facts;
- c) failing to maintain proper records;
- d) arbitrary exercise of executive discretion; and
- e) settling wrong grievances.

Management attitude matters a lot and care need to be exercised in handling the delicate subject of grievances.

12.8 DO'S AND DON'TS IN GRIEVANCE HANDLING

All the do's and don'ts mentioned below (cited from **Walter E. Baer's** Work "Grievance Procedures" 1985) are not applicable to every case, but if the supervisor is familiar with all of them and observes them in handling of grievances, he or she will be prepared for almost any kind of case that may arise.

- 1) Investigate and handle each and every case though it may eventually result in an arbitration hearing.
- 2) Talk with the employee about his or her grievance; give him or her good and full hearing.
- 3) Enforce the contractual time limits.
- 4) Comply with contractual time limits on the company for handling the grievance.
- 5) Don't argue the merits of the grievance first if the grievance is untimely.
- 6) Don't make agreements with individuals that are inconsistent with the labour agreement.
- 7) Don't hold back the remedy if the company is wrong.
- 8) Visit the work area of the aggrieved party.
- 9) Determine if there were any witnesses.
- 10) Examine the relevant contract provisions.
- 11) Determine if the company has been consistent.
- 12) Examine the total agreement and make interpretations based on the whole.
- 13) Don't admit to the binding effect of a past practice.
- 14) Examine prior grievance records.
- 15) Produce all available evidence.
- 16) Permit a full hearing of the issues.
- 17) Treat the union representative as your equal.
- 18) Don't relinquish your authority to the union.
- 19) Admit your errors and take corrective action.
- 20) Don't settle grievances on the basis of what is fair.
- 21) Bear burden of proof in discipline and discharge cases.
- 22) Treat union representatives and employees as human beings.
- 23) Don't argue grievance issues off work premises.
- 24) Don't give away your copy of the written grievance.
- 25) Don't discuss grievances of striking employees during an illegal work stoppage.
- 26) Satisfy the union's right to relevant information.
- 27) Don't file management grievances.
- 28) Don't overlook the precedent value of prior grievance settlements.
- 29) Don't give long-written answers.
- 30) Don't trade a grievance settlement for a grievance withdrawal.
- 31) Handle cases involving discipline or discharge of union representatives with extra caution and consideration.

- 32) Don't deny grievances on the premise that your hands have been tied by management.
- 33) Control your emotions, your remarks and your behaviour.
- 34) Don't withhold grievance information.
- 35) Maintain records of matters relevant to your labour relations situations.
- 36) Fully inform your own supervisor of grievance matters.
- 37) Remember the union is the moving party.
- 38) Determine if there has been equal treatment of employees.
- 39) Command respect from employees and union representatives.
- 40) Hold your grievance discussions privately.
- 41) Don't make mutual-consent agreements regarding future management action.
- 42) Use the grievance meeting as another avenue of communication.
- 43) Know your employees as individuals.
- 44) Demonstrate qualities of leadership to your subordinates.

Check Your Progress-2

- 1) Briefly outline the features of a grievance procedure and the steps in grievance handling.

- 2) Describe the role of the immediate supervisor in processing grievances with respect to the employee, union representative and the personnel department.

12.9 LET US SUM UP

In this Unit, we have discussed that a grievance is a discontent or dissatisfaction. There are several reasons for grievances. Often the stated reasons may not be the real reasons. Grievances have several adverse effects on the performance of the individual as also the organisation. Grievances have to be handled promptly at the stage at which they occur. The higher the discontent rises through the hierarchy, the more difficult it is to resolve. There are several channels for discovering grievances. They include direct observation, grievance procedure, gripe boxes, open-door policy, exit interview, etc.

There should be a machinery or procedure for redressing grievances. It could be established voluntarily by the management or as a result of collective agreement between management and union(s). A four-step procedure has been suggested. The steps in grievance handling and the do's and don'ts for managers dealing with grievance handling were also discussed. A discerning student of industrial relations scene in India would understand the reasons for the increasing role of unions in dealing with individual employee grievances. An aggrieved employee is concerned about protection of his or her interests. Unions have a role in protecting the interests of individual employees who are on their rolls as members. To the extent managements fail in dealing effectively with individual grievances at the first stage itself, the role of the union increases. The higher a grievance moves in the organisation the greater will be the involvement of the union and the larger the industrial relations implications.

12.10 CLUES TO ANSWERS

Check Your Progress-1

- 1) Read Sec. 12.2 and compare your answer.
- 2) In Sec. 12.4 certain ways of grievance handling are mentioned.

Check Your Progress-2

- 1) Mention the four stage model discussed in Sec. 12.6 and the steps discussed in Sec. 12.7.
- 2) See point (i) of Sec. 12.6.