
UNIT 9 TRANSFER, PROMOTION AND REWARD POLICIES

Structure

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Need for a Transfer Policy
- 9.3 Types of Transfer
- 9.4 Promotions and Promotion Policy
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- 9.8 Need for Continual Retraining on Transfers or Promotions
- 9.9 Let Us Sum Up
- 9.10 Clues to Answers

9.0 OBEJECTIVES

After going through this Unit you should be able to understand the :

- purpose of and reasons behind transfers and promotions,
- changes in organisational structure necessitating transfers and promotions,
- exigencies arising out of expanding activities, and
- requirement of retraining on transfers or promotions in view of changing technology, automation and electronic revolution.

9.1 INTRODUCTION

In order to conduct business effectively, certain changes need to be made in the organisation's structure which necessitate the regrouping of jobs, changes in departmental functions, repositioning of jobs and status, grade-wise changes in departmental functions, elevation or lowering job categories and the physical relocation of employees, jobs and departments.

Moreover, the expansion of business and the introduction of new products, services, processes and methods of operations, necessitate the creation of new jobs and promotion of employees to positions with greater scope and responsibility.

Shifting of personnel is also necessitated by employee-turnover, vacancies created by resignations and dismissals, and when suitable persons are promoted or transferred to fill the vacant posts. Change in employee status and job is also necessary to satisfy employee aspirations and needs.

Such movements of employees within an organisation are a usual phenomenon of internal mobility.

However, in a certain context, particularly in government organisations, which are the largest employers of manpower, transfer is also used as a convenient device to punish and remove an undesirable employee or officer from his or her present post, as other disciplinary actions require lengthy procedures under the rules.

9.2 NEED FOR A TRANSFER POLICY

A transfer is a change in job assignment. It may involve a promotion or demotion, or no change at all in responsibility and status. It is a change in assignment in which the

employee moves to another job at approximately the same level of responsibility, demanding the same skill and at about the same level of pay. Transfer is to be distinguished from promotion and demotion which imply an ascending or descending change respectively in the hierarchy of positions. A transfer may be either temporary or permanent, depending upon the need, and may occur within a department, between departments and divisions, or between plants or officers within a departments and divisions, or between plants or officers within a company/organisation. Many a times transfers are used to fill a vacancy or shift employees who are not giving their best to the company.

Two main conditions generate transfer situations :

- An individual employee may request a transfer in seeking his or her preference and benefits.
- Organisations may initiate transfers as a requirement for more effective operations, or as a solution to human relations problems.

It is to be appreciated that transfers are made for a number of reasons and are initiated by either the supervisor or the subordinate. If transfers are left entirely to the discretion of either supervisors or the subordinate or employees, a number of problems are likely to occur, such as favouritism or victimization. For example , a few employees would get transfers as and when they want, while the request of many others would be turned down. On the other hand, some may get transferred repeatedly, causing them great inconvenience. Supervisors may transfer their subordinates arbitrarily, just to get rid of them. Some employees, for various reasons, may ask for transfers repeatedly. Some departments may get the reputation of being easy to transfer from, whereas others may be regarded as exactly the opposite and so on.

The absence of well-formulated transfer policy will undoubtedly breed a state of uncertainty among the employees. In case where a union exists to protect the workers there may be an increase in the number of grievances and a continuous turmoil and conflict will exist between the employees and the firm.

To avoid these problems which would cause considerable inconvenience and disruption in an organisation, it is imperative that the personnel department should evolve a transfer policy. Only a systematic policy can ensure a reasonable consistency of treatment throughout the organisation.

A transfer policy should consist of the following elements:

- 1) A clear delineation of the conditions and “circumstances” under which an employee can be transferred, i.e., what types of transfers (such as those discussed above) would the organisation permit, both in terms of the organisation’s technology and job-relatedness, and from an individual’s point of view.
- 2) The transferability of both jobs and individuals needs to be examined in terms of job descriptions, interdepartmental divisions and plants, and between streams of specialisation either on the job or individual background and training. Therefore, policies on these aspects must be clearly stated.
- 3) The third aspect is a consideration on the basis for transfer; Should it be on the basis of seniority and merit test – especially if it is a production job – or should it be on the basis of seniority alone, assuming minimum ability to handle the job.
- 4) Finally, in the pay scales and exact wage and perquisites that the transferee would receive in the transferred job, if there is any difference it should be specified.

The personnel department should be the monitoring unit facilitating line personnel to redeploy manpower depending on the exigencies of work-situation, or helping employees on compassionate grounds, within the framework of the transfer policy.

Thus, transfer policy will help effective employee redeployment and protect, to some extent at least, employees from arbitrary transfers.

Maximizing employee effectiveness by increasing the utilization of available manpower is one of the important intended consequences of job reassignment. Position reassignments have motivational force, and an impact on employee attitudes. Transfer policy in an organisation is very important as transfers can affect the employee's attitude towards work either positively or negatively.

9.3 TYPES OF TRANSFER

As you know transfer is a change in job assignment. One might be transferred from one job department to another or from one city to another city. The transfers in an organisation can be categorised as :

i) Personal Transfer

Personal transfers are those occasioned by desires of the employee and are primarily in his or her interest.

The reasons for such requests could be to :

- 1) correct erroneous placement,
- 2) relieve the monotony of a job, acquire better working conditions or join friends/spouse/ family,
- 3) provide an outlet from blind alley jobs,
- 4) avoid interpersonal conflicts,
- 5) consider the interests of age/health, education of children, housing difficulties and to join immobile dependents,
- 6) search for creative opportunities,
- 7) avail of training elsewhere to facilitate later advancement or promotion,
- 8) seek financial gains like high frequency or overtime payments, or the feeling that opportunities for advancement are better in another department.

In such cases there is a need for some probing because if it is found that a number of employees want a transfer from a unit, the real issue may be a difficult supervisor, a promotion or some other ulterior motive. In such cases simple transfers would not solve the problem and other measures such as counselling might have to be taken.

ii) Organisation Initiated Transfer

A company may initiate transfers for the following reasons :

- 1) The need for temporary adjustments for the convenience or benefit of the organisation or the employee, such as leave replacement or very short assignments.
- 2) To meet emergencies or changes in operations, to deal with fluctuations in work requirements necessitated either by volume of output or separations.
- 3) To make use of the increasing versatility and competence of key employees.
- 4) Where there is more than one shift and shift assignments are not rotating, transfers are also made from one shift to another on the same type of work.

The nature of transfer should be taken into account while determining the type of transfer, keeping in view the purpose for which it is made. One major type, the discipline-transfer is a remedial transfer, which is extensively used in government and public sector, etc. The second type of personal convenience based transfer is also pretty common in India, mostly in government, in banks, and some other departments. Thirdly, transfer are also made on the boss's wishes. Many a times as a higher level manager moves on, he or she gets the personnel under him or her transferred along to the new position. They are transferred along as every higher level manager usually forms a team consisting of personnels working under him or her and prefers to work with the team in new environment to get a good result and

also the personnels know the working manner and pattern of the manager which makes working easier in the new position also.

Check Your Progress-1

- 1) What do you understand by Transfer ? State the need of a transfer policy.
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- 2) What do you understand by organisation initiated transfer ? How is it different from personal transfer ?
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9.4 PROMOTIONS AND PROMOTION POLICY

As stated earlier in the Unit, promotion is an upgradation or advancement in the organisation and is very different from transfer. Though many a times promotion and transfer go hand in hand. A promotion policy is required by an organisation to check favouritism in promotions and also employee discontent regarding career advancement.

Promotions

Promotion or upgrading maintains organisational effectiveness through maintenance of employee morale, and favourable attitude towards the organisation. Promotion of employees also enables the organisation to utilize expertise to the optimum level by providing adequate opportunities to those who have developed it through training and experience within the organisation.

Promotion should be fair and on the basis of merit of the employees, as promotion is a great morale booster for an employee. Promotions are a major incentive for hard work and better performance. They usually mean more power, salary and perks along with the responsibilities of the job.

A few characteristics of Promotion are that it is :

- a recognition of a job well done by an employee,
- a device to retain and reward and employee for his or her years of service to the company,
- to increase individual and organisational effectiveness,
- to promote a sense of job satisfaction in the employee,
- to build loyalty, morale and a sense of belongingness in the employee, and
- to impress upon others that opportunities are open to them also.

Promotion Policy

As you know, promotion is the incentive for getting motivated and staying motivated. Sometimes favouritism is shown or else some employees are discriminated against on the basis of sex, age and so on, and are over looked while promotion time comes up. Also if an employee is being constantly bypassed for promotion, no matter for what reasons, the employee will tend to be resentful, angry and hurt. So, it is very

important that all the promotions in an organisation are properly monitored and for this there is the need of a promotion policy.

Organisational policy on promotion helps to state formally the organisation's broad objectives, and to formulate both the organisation's manpower and individual career plans. Such documents are being increasingly issued by organisations in keeping with the changed environment of employee awareness and the accent on career planning.

One of the first requirements of a promotion policy is **a statement of the ratio of internal promotions to external recruitment at each level, the method and procedure of selection (trade-test, interview), and the qualifications desired.** Such a statement would help individuals as well as manpower planners to project numbers of internally available candidates for vacancies. In some organisations, such a ratio is fixed by a collective bargaining agreement, or in government and public sector it is laid down in rules.

The second exercise is to identify the network of related jobs and the promotional channels of each job, taking into account job relatedness, opportunities to interact with higher-placed executives to foster job learning, and qualifications – both academic and work experience required. Such an exercise will help in succession planning and also help aspirants to acquire the necessary formal qualifications or on-the-job training, and encourage them to attend suitable external development programmes. The network of related jobs can be established by job analysis. This process would also help in identifying promotion channels and stepping-stone jobs, which once finalised should be made known to the employees concerned.

Such channels and training leading to promotion are well defined in organisations. While exercising the right of promotion, the criteria of seniority (length of service) has to be given the highest weightage along with eligibility and suitability.

Seniority is given very heavy weightage in government and this has led to the law also providing for its consideration.

To show favouritism or partiality to one set of workers regardless of merit will be considered to be unfair and under the law, trade unions or officers associations can take it to courts as an "Industrial Dispute". It is pretty common in government and also frequently resorted to even by officer's associations in public sector and private sector.

Therefore, in India promotion also does not remain only a matter of rational personnel policy, as it is subject to legal disputes and unfavourable court awards. Keeping the above in mind, there are a few important elements of a sound promotion policy which should be spelled out by managements :

- a) A clear statement of policy that most of the higher jobs, as far as possible shall be filled in by 'Promotion with in' as far as practicable, would assure existing employed to work better, and aspire for a promotion.
- b) Establishment of 'lines of progression, or ladders of promotion' within the organisation. It may be called "career planning" or succession planning or by any other name and should be chalked out by the personnel department or top management.
- c) Job analysis and other techniques can be restored to as aids, and the competence and experience of existing employees together with their educational background and training may be considered while plotting out a career graph for each one of them as far as practicable.
- d) The line manager's should also be made responsible for planning out careers of people working with the and should be encouraged to transfer them to better

openings in other departments also in the overall interest of organisational efficiency.

- e) Simple provision should be made by managements for training as a means of preparation for promotion to higher posts. Special on the job training, special institutional training or, other avenues should be made available to deserving employees.

9.5 REWARD POLICIES AND PROCESSES

Performance follows the selection process. Once people are in their jobs, they need to be rewarded for good performance. The list of rewards that exist in organisational settings is surprisingly long. The following is a partial list of potential rewards:

- Pay in its various forms : salary, bonuses, stock options, benefits, and perquisites,
- Promotion : both upward mobility and lateral transfers into desirable positions,
- Management praise, letter of appreciation, personal praise,
- Career opportunities : a long-term chance for growth and development,
- Appreciation from customers and or/clients of the organisation,
- Personal sense of well-being : feeling good about one-self for accomplishing objectives,
- Opportunity to learn: a chance to expand one's skills and knowledge base through organisation training programmes,
- Security : a sense of job and financial security,
- Responsibility : Providing individuals with a sense of organisational responsibility,
- Respect from co-workers,
- Friendship from co-workers.
- Increase in percentage of commissions, and
- Sponsoring employees for higher training, seminars and workshops, etc.

Most organisations, however, find it difficult managing these rewards to produce desired organisational behaviour. As a result, the reward system is one of the most underutilized and mishandled managerial tool for driving organisational performance. Rewards are a major factor in influencing performance. Assuming that the organisation can appraise performance, the organisation has a rationale for allocating rewards based on how well people perform : many times organisations think of rewards only in terms of managing pay or perks.

As against promotion, a wage/salary increase, with a possible change of designations, is usually referred to as an upgrading of a post.

Frequently, status symbols are attached to the higher positions such as a more important job-title, a bigger desk, more expensive office decor, less supervision, and greater freedom of movement.

9.6 MEASUREMENT OF PERFORMANCE AND REWARD POLICIES

Successful strategy implementation depends, in part, on a well designed measurement and reward policy. A measurement and reward policy serves not only to demonstrate senior management's interest and investment in attaining strategic goals, but also to motivate managers to make strategic business decisions.

Strategy formulation, organisation structure, human resources, management process, and culture are the five elements that drive an organisation to implement strategy. A performance and reward system is a supplement of an organisation's management process. Successful organisational performance occurs when an appropriate strategy is implemented through the rationalisation of these five key elements along with the measurement and reward system.

Measurement and reward systems send powerful signals to a company's employees about their performance. Rewards should motivate people to take action that moves the organisation towards its strategic goal. By necessity, the size, nature and diversity of organisations influence the type of performance measurement and reward systems that should be utilized.

Reward systems can be designed to motivate both short-term and long-term performance. The organisation that rewards exclusively on the basis of today's performance may well be hindering the achievement of its long-term strategic goals. Several approaches to reward systems work to integrate strategy with management incentives without sacrificing short-term performance, weighted factors, long-term evaluation, strategic and a combined approach that utilizes features of the other three.

Some organisations do a good job of developing strategy, managing culture, organising, and developing other management processes, but do not achieve a well-implemented strategy because their measurement and reward system is not in tune. Successful implementation of strategy requires a very carefully designed measurement and reward system. If you measure and reward managers on the appropriate management tasks, their "hearts and minds will follow".

9.7 VEHICLES FOR REWARDS

As we have seen, the behaviour of groups of managers and individual managers can be measured, and such behaviour does affect the organisation's performance. Managers and groups of managers can be rewarded in various ways on the basis of their performance measurement. Compensation is the most obvious and tangible means of reward. It includes salary, bonus, benefit packages, perquisites, insurance, pension plan, stock-options and grants, deferred income, and so forth. Obviously, this a very direct reward and is a very powerful motivator in many cases. However, people's psychological needs often go beyond pure compensation.

Two other important factors need to be considered. The first is power. Power can be granted through promotion, organisational placement, recognition, title, or even simple visibility within the organisation. For some individuals this is an extremely powerful motivator. A second factor at the disposal of management is personal development and career planning. Education and personal growth and development are rewards that can be used to motivate a desired performance. These alternative factors may become more important in the less hierarchical, "atomized" organisations in future.

For the reward system to work well, it must complement the measurement system and, in turn, be complementary to all of the other elements. The reward system must balance the organisations long- and short-term behaviour incentives to managers. From an internal point of view, the reward system needs to be consistent within the environment. Obviously, this means that, to be fair, rewards must be aligned along the continuum from best performance to worst. They must also be aligned within the organisation to maintain a competitive position.

9.8 NEED FOR CONTINUAL RETRAINING ON TRANSFERS OR PROMOTIONS

At the beginning of 21st Century, the impact of rapid technological changes, increasing automation, computerization, and other changes are the most prominent factors affecting government, public sector and private sector. However the need for continual training and retraining at many levels for employees is imperative.

As most of the routine, repetitive and clerical jobs are being remodelled by Electronic Data Processing machines, it is necessary for managements to give more and more thought to retraining employees for changing over to jobs, or to the remodelled roles.

As we are witnessing in the tourism sector electronic revolution is fast taking over. The rapid far-reaching changes that are taking place make it imperative for all organisations to retrain their employees for adopting new techniques.

Check Your Progress-2

- 1) What is Promotion Policy ? Why is it necessary in an organisation?
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- 2) What do you understand by ‘Rewards’? How is it different from Promotion?
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- 3) What is the connection between measurement and reward systems. What are the different vehicles for reward ?
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9.9 LET US SUM UP

This Unit gave some definitions of transfer, the types of transfer, and pinpointed the need for a positive transfer policy. It also outlined, the implications of transfer in the context of restrictions imposed by law.

It is also emphasised the need for defining a clear promotion policy to ensure employees that they have a foreseeable future with the organisation. It underlined the need for retraining on transfer or promotions. Besides, it also made you aware of the reward policies and processes that can be adopted by an organisation. It also familiarised you with the vehicles of rewards.

9.10 CLUES TO ANSWERS

Check Your Progress-1

- 1) Read Secs. 9.2 and 9.3.
- 2) Compare your answer with the contents of Sec. 9.4.



Check Your Progress-2

- 1) See Sec. 9.5.
- 2) Read Sec. 9.5 and 9.6.
- 3) See Sec. 9.6 and 9.7.



Some Activities

- 1) Find out the reward policies adopted by star category hotels.
- 2) Visit a travel agency and seek information as regards the retraining policy.

UNIT 10 EMPLOYEE COUNSELLING

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 What is Counselling?
- 10.3 Need for Counselling
- 10.4 Counselling Functions
- 10.5 Counsellors
- 10.6 Skills and Techniques
- 10.7 Types of Counselling
- 10.8 Let Us Sum Up
- 10.9 Clues to Answers

10.0 OBJECTIVES

After reading this Unit, you would be able to:

- understand what counselling is and the need for counselling ,
- understand the few basic skills of counselling ,
- distinguish the type of counselling that can be provided to the employees , and
- understand the affect of counselling on the organisational output as a whole.

10.1 INTRODUCTION

Over the years there has been a growing concern regarding the needs of an employee as an individual. The organisations have seen and felt the need of guiding and helping their employees to solve their problems, pertaining to both personal life and professional careers. This change in the management attitude was not due to some sudden humane feelings for their employees, but was rather for the fact that, many a times organisations suffer losses as employees cannot give their best unless they are satisfied with all the factors affecting their lives. This aspect becomes much more relevant in the case of tourism as the employees are in direct contact with the customers.

Earlier it was considered impolite to enquire about any employee's private life and counselling was mainly restricted to career counselling, but with the changing times this factor is no longer considered rude. Many a time, private matters such as near and dear ones sickness or death may hamper the employee productivity and employer intervention might help to ease the matter. This intervention is counselling, which now a days is a broad term encompassing all the factors affecting the employee's life – both personal and professional.

This Unit starts with the definition of counselling, stresses why there is a need for counselling, goes on to explain the skills required for counselling someone, who all can be counsellors and finally the type of counselling that can be provided.

10.2 WHAT IS COUNSELLING?

Counselling literally means to counsel/advice someone regarding some factor affecting the counsellee's life. But it is very wrong to confine the term "Counselling" to the word "Advice" since counselling is not advising but helping the counselled person(s) to find his or her own way out of one's own problem.

Counselling is a long-term process aimed at helping the counselled person(s) sort out their emotional problems and attain a better mental health. **Employee counselling or counselling is a discussion between the counsellor and the counselled which is aimed at making the counselled person feel better and comfortable about self, and thus better equipped to deal with the daily life problems and work situations.**

According to Warren Redman “**Counselling is a process of clarifying a problem held by another person(s), enabling them to take appropriate responsibility for that problem, and then assisting them to arrive at some form of resolution of the difficulty.**”

Thus, **counselling is a process of finding a resolution i.e. determination/perseverance of solving the problems faced and not necessarily a solution.** Employee counselling is guidance provided to the employees so that they can approach, cope and solve their problems and the first towards this is the need to have an understanding of the problem. Counselling therefore helps the employees in understanding what is the actual problem that is causing them the discomfort. The basic theory of counselling is to make a person well equipped to understand and deal with stress, professional problem or an emotional problem, both in the present context as well as be prepared to tackle the problems of same nature in the future.

Some characteristics of Counselling are:

- **Counselling is a communication between the counsellor and the counselled.** It's an exchange of ideas between the two.
- **Counselling is a process and not an advice giving procedure.** It is a long-term process and takes some time for the person(s) involved to understand the problem and learn how to cope with it.
- **Counselling is about clarifying and helping the counselled** to handle him or her in the time of crisis and be able to meet the demands of life.
- **Both professional and non-professional counsellors can provide counselling.**
- **Counselling is usually private and confidential** so that the employee is free to speak out without any fear of retribution i.e. penalty from the employers.
- **Counselling is beneficial to the organisation** as it helps to solve problems relating to both job and personal life of the employees; thus helping them perform better on the job and also giving a more humane look to the organisation.

10.3 NEED FOR COUNSELLING

Emotional makeup of the employees plays a big part in their work efficiency. Counselling helps in understanding the employee grievances and also lets the employee know about the company rules and policies and disciplinary actions as well without being too much impersonal.

A need for counselling exists wherever there is a problem faced by the employees. The problem can be mid life crisis or an emotional problem or a fear of extra workload due to a promotion and so on. Some of the various situations where counselling is required are:

1) Stress

Stress is an important factor affecting employee performance and productivity. Stress is the strain or pressure that affects a person emotionally and physically. The result of the stress on the employee performance may vary from person to person and also on the reason of the stress. Different people have different levels or threshold for tolerating stress. Some people perform better under pressure while others end up not

performing at all. The reason for the employee stress can be either due to on the job crisis or off the job problems. The causes can be:

a) On the Job Causes

Almost all the jobs are stress inducible and a lot depends upon the employee's working. Work pressures such as deadlines to meet, work load, constant new ideas and changes to be implemented, can lead to a lot of strain and stress. The employees' stress threshold and nature in general would decide upon the pressure and strain that an employee would feel. For example, many a times a similar change may result in more productivity and better performance in one employee whereas it may result in stress induced low productivity in another employee.

Frustration can also lead to stress. The frustration can be a result of over estimating one's own potential or under estimating one's own potential or too much work load and deadlines to meet or not getting a salary as expected or being passed over for a much awaited promotion and so on. Frustration is a major cause of stress but many a times it may be a case of one-day or momentary frustration. For example: trying to finish a report in time for a meeting scheduled in an hours time and if one is constantly interrupted, than the person is liable to feel frustrated and irritated. It is so as one is not able to reach the desired goal. Mostly it has been observed that job environment contributes a lot to the feeling of stress. A kind and helpful supervisor will make a frustrated employee feel better and a helpful colleague can help ease an over loaded and over worked co-worker. If one is not at ease and comfortable in ones surroundings, than he or she won't be able to give his or her best. It has been observed that office politics and groups affect inter personal relationships thus affecting the work environment and the work potential of an employee.

Too much pressure and stress can result in “**Burnout**”. Burnout is the stage in a person's life when he or she feels that they have nothing more to give as a result of mental, emotional and physical exhaustion. This happens as a result of being under a prolonged period of stress. Nowadays, we are hearing about executives who reach their thirties and are cases of early burnout. This is usually due to the fact that they have put in too much time and energy for their work and constant work pressure has resulted in the total exhaustion.

b) Off the Job Causes

Pressures outside the work environment also affect the job performance. The pressure can be due to marital problems, problems with children , major injury or illness or death in the family and so on. Stress due to personal problem affects the organisation as a person coming to work brings with him or her mental and emotional trauma of the personal life which very much effects the work output.

It can be implied that stress is a personal problem and is not easy to decipher if the other person is not ready to disclose. But there are a few symptoms, which indicate when a person is under stress and strain:

- **Absenteeism:** The number of days of absenteeism increases, as the person is not satisfied with the job or job environment or due to some personal problem. As a result not only the individual suffers but it costs the organisation money.
- **Illness:** Employee might report sick more often and not come in or come in late. Also the employee might start behaving irrationally in the office often resulting in emotional outbursts. Many a times the person starts getting short tempered and irritable and thus affecting the office environment and finally the productivity.
- **Poor Work Quality:** Stress mostly results in low self - esteem which causes in lowering the self-motivation. Running low on motivation, the employees do not work to their full potential i.e. full capacity and abilities. This thus results in poor work quality and low performance.

The performance thus affected costs the organisation money as more people have to be recruited for doing the work of that employee who is not performing to his or her full potential.

Thus, stress is a major factor affecting an employee and counselling is required for the employee so as to analyse and understand the factors causing the stress.

2) **Disciplinary Action**

Counselling comes in handy while putting a disciplinary action in motion. Any typical disciplinary action in an organisation initiates with a verbal discussion with the offender, this is also counselling. Before punishing or giving any penalty to an employee a counselling session with the offender is a must where company rules and policies are again told to the employee and also about the penalties involved. The Counselling during the disciplinary process **puts emphasis on what the employee should do rather than putting the emphasis on what the employee should not do.**

3) **Pre-Promotional**

Counselling is required to quell any doubts regarding a new job or duties or power assigned with a job. Counselling is always used to put the employee to be promoted at ease with his or her would be new environment and to get him or her acquainted with his or her power, duties and job scope among other things, so that the employee is totally sure while taking over a new job/ promotion.

4) **Mid Career**

Most of the good organisations now a days employ a counsellor to counsel the mid career manager. Usually the managers are well educated and are very motivated till they realise that they have reached a stage where promotion and upward movement is possible only if someone in the very top position vacates the position. During this period in their life it is necessary that they should be counselled so that they do not start running low on motivation and do not get depressed or frustrated. Mostly the mid career managers are aware of the problems related to their job and only need someone to listen to them and understand their plight and thus assist them to deal with expectations from life.

5) **Pre-Retirement**

An employee spends all his or her life with an organisation and when the time for retirement comes, the person is apprehensive about his or her future. If the apprehension is not taken care of in time then it will affect the work capacity of the employee during whatever time the employee is left with before his or her retirement and also affect those working in close contact of the employee. Counselling here can help the employee look forward towards the retirement with expectation and excitement rather than with apprehension. The other employees will also appreciate such a gesture and would reinforce their trust and loyalty in the organisation.

Check Your Progress-1

1) What do you understand by Counselling?

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2) Mention some of the job causes for stress?

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10.4 COUNSELLING FUNCTIONS

The main objective of Counselling is to help the employees attain a better mental, emotional and physical health. A counsellor is the one who can help a person realise a better tomorrow by the attainment of self- confidence, self- development, patience and self - growth.

The objectives of counselling are achieved through the counselling functions. The counselling functions are the activities that can be done by counselling. The functions are:

- **Advice:** Advice giving is not desired for counselling, as it is a process of self-growth which advising would hamper. But many a time's counsellors do have to advice so as to show/ guide the counselled towards a path of action.
- **Reassurance:** Counselling has to provide reassurance to the employee that he or she is progressing well and moving towards achieving the desired goal. Reassurance here can be meant as encouragement also. This is mostly in the case of the mid career managers where counsellor can only reassure that everything will work out fine and also encourage him or her to work as the desired goal is within reach.
- **Communication:** Counselling is mostly about proper communication. A proper communication is required to pass the employee problems to the management and also to air the views of the management to the employees. Communication skills such as listening, providing feed back and so on are required for an effective counselling session.
- **Release of Emotional Tension:** Counselling gives a scope to the employees to release their emotional tension. Emotional outbursts help the employee to release one's anger and frustration to a sympathetic listener, which in turn helps to subside the tension.
- **Clarified Thinking:** Discussing one's problem with someone helps the person to see those points and facts which have been overlooked earlier due to emotional involvement with the problem. The counsellor is not required to guide the person in such a case, as only listening to the outpouring will help. Once the counselled person starts speaking very soon many facts are clarified as the counselled starts thinking aloud which in turn results in rational and logical thinking and helps in solving the problems, real or imaginary.
- **Reorientation:** Reorientation is a result of clear thinking which helps an employee to assess oneself – one's potential and limitation and in accordance to them set new goals and values.

Reorientation leads a person to have a better self-image and it also helps to treat the patients of depression. A clear self-image leads to be a more confident person and also a more effective worker.

10.5 COUNSELLORS

A basic question asked by many is “ who all can be counsellors?”

Counsellor is a person who helps the counselled to overcome his or her problem and in the process also have a better self – image and confidence. The interaction between the two takes place in a counselling session, the duration of which may vary case to case. The place of this interaction must have a congenial environment where the counselled must feel at ease.

A basic and most important quality of a counsellor is that he or she must be good at winning the confidence of the counselled. A counsellor at times can be a friend who listens to one's woes and in the process helps look at a problem more objectively and rationally.

An organisation can counsel its employees using either an in-house counsellor or acquire the help of outside agencies as well. The possibilities are:

- 1) **Manager:** Mostly in the smaller organisations the immediate managers help in counselling the employees as they are known to the employees and employees can open up fast and easily with the manager. But the same reason might work in the reverse also when an employee with a grievance against the manager cannot possibly speak to the same manager about the reason of grievance. All said this is the most common form of in-house counselling.
- 2) **HRD Manager:** HRD managers are often identified in an organisation as specialists to deal with all counselling work. The employees won't have to do a lot of explaining as the organisation is same and so the rules, policies and company structure is known to the manager but since the department is same so the employee won't be afraid of any retribution or tension with the immediate manager. This also is a form of in-house counselling.
- 3) **Volunteers:** There are many volunteers such as trainee HRD manager or a student of HRD who usually are available as volunteers since they want to gain some experience. The use of volunteers is possible in large organisations, where the employees are large in number. This use of outside volunteers helps the employees express anger and frustration regarding the company policies or any other such problem that might be regarding the organisation as a whole.
- 4) **Outside Agencies:** Many establishments are available which send their counsellors as and when required by an organisation. Mostly these are the organisations working for the employee welfare and running employee welfare programmes. Sometimes it can also be government assisted.
- 5) **In House Counsellors:** An organisation might decide to hire a professional counsellor as a company employee to work with the employees on a regular basis. This helps the organisation, as the counsellor doesn't have to be briefed about the company policies, rules and regulation and also the employees don't have to be introduced to the counsellor as the other employees would already know him or her. Moreover a regular counsellor can keep a track of the progress of the employees undergoing counselling such as a severely depressed employee, and so on.

Having an In - House counsellor has its minus and plus points. The employees might not talk freely as the counsellor too is after all an employee of the same firm and the fear of retribution is always there. Moreover, the question of confidentiality of the counsellor is also a problem. The counsellor might learn about some wrong doing by the employee/s and being an employee of the same organisation, the counsellor would be in a dilemma whether or not to report the incidence, as it was said in confidence. The plus point being that the employees are aware of the availability of counsellor to whom they can take their problems whenever needed and will believe that the organisation cares about their problems and thus in the long run this increases loyalty towards the organisation.

10.6 SKILLS AND TECHNIQUES

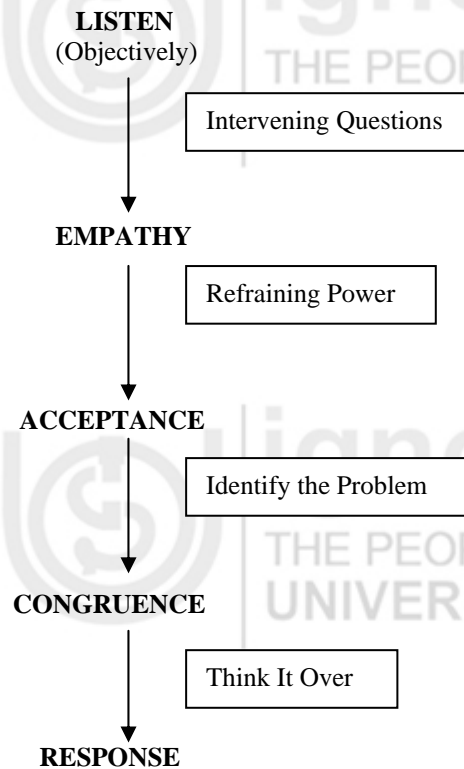
Counselling is a very delicate job requiring a lot of caution. Among other things, a counsellor has to remember that, advice giving is not the best way of counselling as it hampers the process of counselling. Also, one should remember that sitting in the counsellor's chair does not give one the right to judge the counselled person. There are a few guidelines which have to be followed, and a few skills and techniques which have to be applied by the manager while counselling any employee. They are:

- 1) **Objectivity:** The counsellor should be objective, i.e. he or she should not become too involved in the problem of the employees, as else they would lose the objective of the problem. As one gets emotionally involved in a situation then it is difficult to be objective and thus is unable to direct the flow of the conversation with the counselled person and thus lose the grip of the situation. The counsellor should always be in an objective mood so as to direct the flow of the session in a desired direction towards a positive outcome.
- 2) **Listening Skills:** The listening skill is the **most important skill** required for effective counselling. As discussed earlier, many a times once the emotional outburst is over in the presence of a sympathetic listener, the problem in question is neither as big or as difficult as thought of earlier. Listening here means listening with interest and asking proper questions at appropriate time. Along with this the quality to refrain oneself from asking too many indifferent questions and also to give advice has to be followed. The questions asked should not be judgmental in nature but should be trust building. The speaker should have confidence that the listener is not making fun of him or her and should trust that whatever is being said is confidential. In most of the cases the counselled person just requires someone to listen to them without judging them and also should understand or at least try to understand their real or imaginary problems. The counsellor has to have a lot of patience for this.
- 3) **Empathy:** Empathetic listening means to see the problem and understand it from the point of view of the other person. It is different from sympathy, as empathy requires the counsellor not to sit in for judging the person or for ridiculing the problem. A counsellor should always remember that the problem is very much real and difficult for the counselled person and therefore the counselling is being sought.
- 4) **Acceptance:** An empathetic response is a step towards the acceptance of the problem. Once a counselled person knows that the counsellor accepts his or her problem as real than the trust starts building up and encourages in solving the problems of the counselled.
- 5) **Congruence:** This means showing the genuine of concern by the counsellor. An employee can easily comprehend when a concern shown is real and when it is not. This is possible when one is in tune with the problem and has concern regarding the problem. This caring attitude is difficult to be found in the cut-throat business managers and has to be developed. Since caring attitude is very difficult to be developed overnight many organisations feel the need for hiring a trained counsellor.

A few other objectives and qualities that must be clear and necessary in the counsellor for effective counselling are that the counsellor:

- has to be aware of his or her own strengths and weaknesses to identify the same in others.
- has to be genuinely a caring person to project the same image to those being counselled.
- should be able to diagnose the real problem and distinguish between the meaningless chit-chat and the main cause of discomfort. So diagnostic quality is a must.
- should respond only when fully in position to answer a query. If someone asks such a question which the counsellor can't answer to than its better to respond later on.
- must keep in mind that the main concern is to solve a problem. Hence, responses should be made only when the problem has been understood and well thought over.
- can cite examples, case studies etc. to improve the situation in order to make the counselled involved in the sessions.
- seek information from others but this should be done discreetly.

We can say that the following are the steps of counselling:



10.7 TYPES OF COUNSELLING

Counselling session depends upon the counsellor to give it a direction. The type of direction the counsellor gives to the session differentiates it into three types of counselling:

1) **Directive Counselling**

In this type of counselling the counsellor gives the session its full direction. The counsellor leads the session completely and this type of counselling fulfils the criteria of the counsellor giving advice and reassurance. The counsellor listens to the counselled and decides on behalf of the counselled as to what should be done. It also helps in releasing the emotional tension. But this form of counselling does not equip the counselled person to handle similar situations in future as no self - growth has taken place. The self - growth can be achieved when a person tries to look for the answers himself or herself with some help from someone else. But, as stated earlier, in this case a person will always have to look towards someone else to advice and sort out the problems in future.

All said and done, one should remember that in many cases advice acts as reassurance. In adverse conditions advice and reassurances act as morale boosters and in the long run help on taking a course of action to resolve the difficult situation.

2) **Non-Directive Counselling**

This type of counselling is counsellee oriented. This means that the counsellor focuses on the counsellee and his or her problems without any sort of interference. The counsellor does not act as an advisor; rather the counsellor only listens to the counsellee, understands the problem but does not offers any solutions. The counsellee here has to the find the solution on his or her own.

This type of counselling helps in employee orientation as the employees are given a chance to find their own solution. Thus they are prepared to handle at least similar kinds of problems in future on their own.

3) Co-operative/Participative Counselling

This is a compromise between the above two extreme types of counselling. It is a mutual contribution for diagnosing a problem, analysing the problem and then looking for a solution. It is a mutual counsellor - counsellee relationship where both participate to find a solution. Here an exchange of ideas takes place between the two. Both the participants provide a bit of knowledge, experience and insight and thus it is a case of balanced compromise.

In general, it provides four counselling functions, i.e. of reassurance, communication, emotional release and clarified thinking.

Check Your Progress-2

1) What do you understand by counselling functions? Explain at least three counselling functions.

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2) What are the skills and techniques required for counselling?

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3) What are the different types of counselling?

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10.8 LET US SUM UP

In this Unit, you have studied about Counselling. You have learnt what is counselling and what are its different characteristics. The need for counselling is stressed upon. Modern day life is full of stress and tension can lead to a lot of frustration and problems, if not dealt in time through counselling. Also any new change in life such as promotion or retirement or mid career crisis and also any disciplinary action calls for counselling, though we must remember that counselling is different in each case.

Counselling has to be provided keeping in mind that it should fulfil certain basic counselling functions such as Advice, Reassurance, Communication, Release of Emotional Tension, Clarified thinking and also Reorientation. The right type of counsellor is very necessary to have effective counselling. The work of a counsellor is very delicate and the job should be dealt with fineness. A counsellor should be acquainted with the various skills and techniques needed for proper counselling. A counsellor should be a good listener with objectivity and empathy. This helps in winning the trust of the counselled.

Lastly we have discussed about the various types of Counselling sessions. A counselling session should be directive i.e. counsellor to counsellee only, or non - directive where the counsellor does not interfere and its just a counsellee to counsellor session. And finally co-operative where, both the counsellor and the counsellee participate.

10.9 CLUES TO ANSWERS

Check Your Progress-1

- 1) Read Sec. 10.2 very carefully and answer.
- 2) Your answer should be based on point (1a) of Sec.10.3.

Check Your Progress-2

- 1) Mention the six functions discussed in Sec. 10.4.
- 2) Read carefully Sec. 10.6 for answering this question.
- 3) Directive, non-directive and participative, see Sec. 10.7.

Some Activities

- 1) Try to act as a counsellor to a friend when he or she faces a problem.
- 2) List the types of problems you foresee in a job that might require counselling.

UNIT 11 DISCIPLINE, SUSPENSION, RETRENCHMENT AND DISMISSAL

Structure

- 11.0 Objectives
- 11.1 Introduction
- 11.2 What is Discipline?
- 11.3 Indiscipline
 - 11.3.1 Factors Leading to Indiscipline
 - 11.3.2 Forms of Indiscipline
- 11.4 Disciplinary Action
- 11.5 Suspension
- 11.6 Dismissal
- 11.7 Retrenchment
- 11.8 Let Us Sum Up
- 11.9 Key Words
- 11.10 Clues to Answers

11.0 OBJECTIVES

Once you have read this Unit, you should be able to:

- define the concept of discipline,
- identify the various dimensions of discipline,
- identify the factors leading to indiscipline,
- identify the various forms of developing, implementing and maintaining positive discipline,
- appreciate the underlying concepts behind suspension, dismissal and retrenchment,
- handle the processes involved in suspension, dismissal and retrenchment, and
- evolve policies for these actions in the context of your organisation.

11.1 INTRODUCTION

Employee discipline is the backbone of any successful organisation. In fact, the function of management is to keep an enterprise going on smoothly, efficiently and profitably. To do this, you need a workforce that has to accept certain reasonable standards of behaviour at the workplace. Effective employee performance depends on the willingness on the part of the subordinates to carry out the instructions and orders of their superiors and to abide by the rules and norms of the organisation. The purpose of this Unit is to discuss and examine what discipline is, what the various aspects of employee discipline are, and how positive discipline can be achieved from your subordinates.

This Unit also familiarises you with the nature of three job changes, which are sometimes a part of disciplinary actions, that is **suspension**, **dismissal** and **retrenchment** which an employee may experience in course of employment.

Since these changes have the effect of reducing income or loss of job and livelihood, and one of these changes (dismissal) carries such a stigma which may even disqualify the person concerned for further employment, they are not only likely to be resented but also challenged in courts. Sometimes, changes have to be effected by the management to maintain discipline or to rationalise the working of the organisation. These should be managed and carried out in such a manner that the hardship involved may be minimised, and they should not have any demotivating effect on other

employees. This could be possible only when such changes are not only essential and fair, but they are made to look to be so.

Again, since the enactment of industrial law the right of management to hire and fire has been abridged considerably, the employee has acquired the right to question and challenge his or her suspension, dismissal and retrenchment. The Labour Courts, High Courts and Supreme Court are vested with the powers to annul or modify such actions of the employer and the latter has now to exercise these rights in a bona fide manner, or for a just cause. In fact a big case law has already been built up on these changes. It is, therefore, essential for you as a manager or supervisor, to know how such actions should be taken if they have to be taken, with the minimal effect on the working of the organisation and employee-management relations.

11.2 WHAT IS DISCIPLINE?

The first thing most people associate with the concept of discipline is the act of punishment. This is so because discipline, in its narrowest sense, is used to refer to the act of imposing penalties for “wrong” behaviour. However, it is important to remember that this negative expression is only a part of the meaning of the word discipline. **Discipline means orderliness, obedience and maintenance of proper subordination among employees and a check or restraint on the liberty of individual.** It is a training that corrects, moulds and strengthens the individual behaviour. Discipline can also be stated as the **management action to enforce the organisation’s standards and norms among all the employees.** It is also a **force, which prompts an individual or group to follow self-discipline i.e. to observe certain rules, regulations and procedures that are considered to be necessary for the attainment of an objective, as a result of training and practice.**

Discipline implies a state of order in an organisation. It means proper appreciation of the hierarchical superior-subordinate relationship. It is, in other words, adherence to established norms and regulations. It corrects improper conduct and thus acts as a force leading to the observance of rules and regulations. It is, you may say, essentially an attitude of the mind, a product of culture and environment. Therefore, discipline cannot be maintained merely with the help of legislative sanctions; it requires persuasion on a moral plane.

The concept of discipline emerges from the interaction of the seniors with the subordinates. And these interactions with the subordinates are governed by various formal and informal rules and regulations. The company’s manual or standing orders provide the formal rules and regulations, including work-related behaviour rules. But these formal rules are not sufficient to cover the wide range of interaction that the seniors and the subordinates are engaged in the complex context of organisational relations. A large part of the behaviour and interaction with the subordinates is governed by informal and unwritten rules and norms. These informal rules and norms that support and legitimise practice are based on convention and culture of the organisation.

Let us now distinguish three major aspects of discipline:

i) **Negative Discipline**

Negative discipline involves force or an outward influence. It is the traditional aspect of discipline and is identified with ensuring that subordinates adhere strictly to rules, and punishment is meted out in the event of disobedience or indiscipline. In this perspective strict penalties are levied for the violation of rules. It is, in fact, the fear of punishment that works as a deterrent in the mind of the subordinate. Approaching discipline from this kind of a perspective has been proving increasingly ineffective for various reasons.

ii) **Positive Discipline**

In this type of discipline subordinates comply with the rules not from fear of punishment, but from the desire to cooperate in achieving the common goal of the organisation. In positive discipline willingness to comply is most important. The emphasis here is on cooperative efforts to secure compliance to organisational norms. It promotes emotional satisfaction instead of emotional conflict, and the increased cooperation and coordination reduces the need for formal authority. This approach to discipline helps achieve both individual needs of the subordinates and the organisational goals. It would, therefore, motivate the subordinates to work with zeal and fulfil their needs. Positive discipline, in other words, calls for internalisation by your subordinates of the objectives and expected norms of behaviour in your organisation. The positive concept of discipline assumes a certain degree of self-discipline.

iii) Discipline as Self-control

Discipline at one level means training that corrects, moulds, strengthens, or perfects the behaviour. Discipline, in this sense, refers to the training and development of an individual, i.e., one's efforts at self-control for the purpose of adjusting oneself to certain needs and demands. This is nothing but what you would call self-discipline. It is extremely important to have this kind of self-discipline both in the seniors and in the subordinates for effectively and efficiently achieving the organisational objectives. Here again the emphasis is on establishing and ensuring a minimum degree of orderliness. This orderliness is obtained in the modern work context by increasing the degree and extent of compliance by subordinates.

11.3 INDISCIPLINE

Indiscipline refers to the absence of discipline. Indiscipline, therefore, means non-conformity to formal and informal rules and regulations. We cannot afford indiscipline as it will affect the morale, involvement and motivation of subordinates in the organisation. Indiscipline often leads to chaos, confusion, and reduces the efficiency of the organisation.

11.3.1 Factors Leading to Indiscipline

Various socio-economic and cultural factors play a role in creating indiscipline in an organisation. We wonder if you realise the fact that often indiscipline may arise because of poor management on the manager's part. Insensitive and thoughtless words and deeds from a manager are potent reasons for subordinates to resort to acts of indiscipline. Defective communication by the superiors and ineffective leadership devoid of tactful human relations approach can cause indiscipline among subordinates. Indiscipline by the subordinate may be an outcome of the manager's non-response to his or her grievance also.

The subordinates may indulge in acts of indiscipline because of unfair practices, like the wage differentials, unreasonable declaration of payment of bonus or non-payment, wrong work assignments, defective grievance handling etc. The payment of low wages is perhaps another reason for indiscipline. When the employee is paid low wages and in addition more and more work is demanded he or she becomes dissatisfied, dishonest and insubordinate. Poverty, frustration and indebtedness, generally overshadow the mind and thought which move more towards destruction than constructive discipline.

Low payment of wages also creates lack of motivation in the employees. After all, each individual needs response, security, recognition and new experience. An employee agrees to give a certain amount of work and loyalty, and expects at the same time, in return, an adequate economic reward, security, fair human treatment and other kinds of support. If he or she does not get as expected, then gradually the employee begins to express his or her dissatisfaction and grievance by way of absenting oneself, coming late to the office, inefficiency and insubordination.

Defective communication between the manager/supervisor and the subordinate also leads to conflict of various kinds. Very often the subordinates get no opportunity to express their feelings and sentiments. Unless a humane and understanding approach is adopted there is more likelihood that the subordinate may take recourse to indiscipline.

So we can say that counselling (see Unit 10) is very much required to understand the root cause of indiscipline, and to find a solution for it.

11.3.2 Forms of Indiscipline

Absenteeism, insubordination, violation of rules, gambling, incompetence, damage to machine and property, dishonesty and other forms of disloyalty lead to industrial indiscipline. These are all forms of misconduct against the management. If an act of an employee is prejudicial or likely to be prejudicial to the interests of the employer or to the employer's reputation, it is a misconduct. The act of an employee can become a misconduct in the following cases:

- a) where the act of employee is inconsistent with the peaceful discharge of his or her duty towards the employer;
- b) where the act of the employee makes it unsafe for the employer to retain him or her in service;
- c) where the act of the employee is so grossly immoral that all reasonable persons would not trust the employee;
- d) where the conduct of the employee is such as to open before him or her ways for not discharging the assigned duties properly;
- e) where the conduct of the employee is such that the employer cannot rely on his or her loyalty/faithfulness;
- f) where the conduct of the employee is insulting and insubordinate to such a degree as to be uncomfortable with the continuance of a superior-subordinate relationship;
- g) where the employee is abusive or disturbs the peace at the place of his or her employment; and
- h) where the employee is habitually negligent in respect of the duties for which he or she is engaged.

It is very difficult to lay down exhaustively as to what would constitute misconduct and indiscipline. It would depend upon the examination of facts. Some of the acts of misconduct are mentioned in the Model Standing Orders as a part of the rules made under the Industrial Employment (Standing Orders) Act of 1946. Non-performance of duty is a serious misconduct, because it is basically inconsistent with the obligations of employment. Under the act of negligence, an employee fails to give full care and attention on account of which the work becomes defective, and production suffers both in quantity and quality. It is a misconduct to cause disorder on the premises, intimidate, threaten or assault other employees and use abusive language. Preventing the entry and exit of willing employees and movement of goods to and from the factory, obstructing the work being carried on, damaging the property of the employer, indulging in mischief or other objectionable activities, occupying the employer's premises or property, go-slow, etc. are forms of misconduct.

Insubordination, assault or threat to superior officers, defamation, making false complaint, are all acts of indiscipline. Non-performance of work during working office hours, tampering with official records, misappropriation of accounts are acts of indiscipline which are considered to be of serious gravity.

11.4 DISCIPLINARY ACTION

For every misconduct and act of indiscipline, a manager will have to take disciplinary action against the concerned employee. However, there is no hard and fast rule to deal with indiscipline. The positive approach to discipline which we have discussed in an earlier Section calls for self-discipline. This approach assumes that most of the subordinates, if not all, generally behave reasonably following the given norms and procedures. To institute this kind of positive discipline among the subordinates the manager must ensure that:

- 1) Rules and regulations are reasonable, legitimate and clear.
- 2) Subordinates are involved in framing rules and regulations so that they willingly accept them.
- 3) Prior and clear notice is given of the consequences of breaking rules.
- 4) There is consistency and uniformity of punishment.
- 5) Human personality is treated with dignity.
- 6) He or she, as a manager, should set high standards.

The institution of self-discipline can be referred to as **PREVENTIVE DISCIPLINE** as the actions taken are prior to any indiscipline on the part of the employee(s). And it initiates self-discipline as a preventive measure to indiscipline. In addition to this other forms of the disciplinary actions are as following:

- 1) **Corrective Discipline:** In this case, the employee is let off with some sort of corrective disciplinary action in response to some indiscipline. The action can be a warning, suspension, etc. Usually the action is taken by the immediate supervisor but the authority is given by the higher level manager. The corrective action is a positive action initiated to encourage the employee discipline by reforming the indisciplined employee and also ensuing no further similar indiscipline from the co-worker. Thus, ensuing effective group standards.
- 2) **The Hot Stove Rule:** Its an extension of the corrective action. It means that the indisciplinatory action demands a reaction like a person receives in touching a hot stove. The corrective action should be very impersonal but immediate and stern with a consistency. But first warning is to be issued so that every employee is aware of the consequences. As the disciplinary action is immediate the employee(s), register the punishment and the offence. Moreover, the corrective action has to be consistent so that no feeling of discrimination is generated among the employees.
- 3) **Progressive Discipline:** Progressive discipline here refers to the fact that repeated offences will warrant severe/stronger punishments. This is to encourage the employees to implement self corrective actions so as to save themselves from any further penalties. This process allows the organisation a chance to work out the employee problem. The following process can briefly be summed up as Progressive Discipline System (**K. Davies 1981**) :

- verbal reprimand by Supervisor,
- written reprimand with a record in personnel file,
- one to three day suspension from work,
- suspension for one week or longer, and
- discharge from work.

In addition, you can check indiscipline through counselling and educating your subordinates. Strategies like job enrichment to increase commitment among your subordinates, effective and efficient grievance handling procedures, opportunities for development of subordinate's potential are strategies that you may adopt to prevent indiscipline in your organisation.

In order to maintain the motivation and morale of your subordinates, it is necessary that you adopt a formal system of dealing with indiscipline. The formal system often calls for a judicious approach.

Check Your Progress-1

1) Explain the difference between the positive and negative concepts of discipline.

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2) Identify the different forms of indiscipline and examine the factors leading to indiscipline.

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3) What are the various forms of implementing Discipline?

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11.5 SUSPENSION

Suspension means prohibiting an employee from performing the duties assigned to him or her and withholding wages for so long as that prohibition continues. During the period of such prohibition the contract of employment between an employer and the employee is said to be under suspension, and the employee is said to have been suspended. In other words, suspension does not mean termination of service but only denial of work for some time, with or without pay, whatever the contract between the employee and employer permits.

Procedural suspension is not considered as a punishment. Such suspension is made when disciplinary action is initiated or is about to be initiated against a person for any misconduct which may warrant any major penalty like discharge or dismissal. The delinquent employee is suspended if his or her presence at work is not considered desirable for fear of any tampering with the records or any other evidence or the enquiry by itself. The employee is also suspended in the interest of discipline and good order in the establishment and in all cases where the act of misconduct complained of is grave and serious. It is usual to issue the suspension order alongwith the letter of charge, but if the management thinks it necessary, the employee may be suspended even before issuing the charge-sheet pending further disciplinary proceedings.

During the period of suspension the worker is paid a subsistence allowance equal to one-half of the gross wages for the first ninety days and three-fourths of the wages beyond ninety days. Till recently this subsistence allowance was being paid only in the Government and public sector establishments, but with the recent amendment of the rules it has been made obligatory for all employers to pay to the employee during his or her suspension, a subsistence allowance equal to one-half of the basic wage, dearness allowance and other compensatory allowances to which he or she would have been entitled if one had not been suspended. Such subsistence allowance is paid for ninety days. If the enquiry is prolonged beyond ninety days, the allowance is to be increased to three-fourths of his or her normal emoluments. If, however, the responsibility of prolongation is that of the employee the allowance would be reduced to one-fourth of his or her normal emoluments.

Like fine and warning, suspension is generally considered as a minor punishment which may be inflicted for such misconduct as unpunctuality or irregular attendance

provided they are not habitual or often repeated. As a rule, punishment should be commensurate with the gravity of the offence.

The power to suspend an employee and withhold payment of wages during the period of suspension by way of punishment, like the power to make penal deductions from the remuneration of employees, is not an implied term in ordinary contract between master and servant. As such unless power is reserved to the employer specifically in the contract of employment itself, an employee cannot be punitively suspended. Hence in establishments where standing orders have been framed governing the contract of employment between the management and the workman, provision is usually made for reserving powers in the management to punitively suspend the employee, as also prescribing maximum number of days of suspension which are generally four, for which such punishment may be inflicted. If the punitive suspension exceeds the number of days mentioned in the standing orders, it may be regarded as a major punishment, and may be dealt with as such.

11.6 DISMISSAL

Dismissal means termination of service or contract as a punishment for a serious misconduct or act of indiscipline. This is the supreme punishment which an employer can give for disciplining employees as a last resort. It carries a stigma which may prevent the dismissed person from getting another job. It is a permanent separation from job.

Dismissal and discharge have the same result, that is, termination of the service of the employee. It is on this account that these terms are often used indiscriminately by employers and employees in the Labour Courts as though they were inter-changeable. But there is a distinct difference between the two expressions, and it is desirable that this is clearly understood. The points that need to be noted in this connection are as follows:

- a) While dismissal is a punishment for some misconduct, discharge is not always a punishment.
- b) The act and omissions for which the punishment of discharge may be inflicted are generally the same for which the extreme punishment of dismissal would be warranted. However, on consideration of equity, expediency or extenuating circumstances, it may be deemed desirable by the employer to discharge an employee instead of dismissing him or her.
- c) Discharge is considered a less severe punishment than that of dismissal, although both result in the termination of service. The stigma that is attached to the expression 'dismissal' may make it practically impossible for the person concerned to obtain another employment, which is not the case with discharge.
- d) The agreed or reasonable notice may have to be given in case of discharge, but not so in case of dismissal which is usually summary, i.e., without notice.
- e) In case of dismissal, the employer can withhold the organisation's contribution to the provident fund, bonus and gratuity payable to the employee and also his or her other dues to make up the loss caused to the concern by his or her misconduct, but in the case of discharge the employee concerned would usually be entitled to these benefits and dues.
- f) For dismissing an employee the employer has to hold disciplinary proceedings. He or she may or may not do so for discharging an employee. The employer can discharge an employee by giving an agreed or reasonable notice, as provided in the standing orders or contract of service, without serving him or her with a charge sheet, receiving explanation and holding an enquiry, as is usually done for dismissing an employee. However, the employer may be required to prove the bona fides of both the actions.

Grounds for Dismissals

The grounds for dismissals can be:

- incapacity of the employee which prevents him or her from fulfilling the contract of service with the employer. The incapacity can be lack of skill, technique, aptitude or physical health.
- misconduct or various offences which are inconsistent or incompatible with the faithful discharge of one's duties. Willful insubordination, riotous and disorderly behaviour, dishonesty, habitual absence without leave, habitual negligence or willful neglect of work etc., would be justifiable grounds for dismissal.
- such immorality on the employee's part which may bring disrepute to the employer. These acts can be that of theft, fraud, dishonesty such as giving or taking bribe, habitual breach of law such as drunk driving by a company driver and so on.

All the above three grounds justify dismissal under common law, and to this may be added several other acts and omissions, such as willful slow down, or inciting others to slow down, assault on manager or supervisors, and other offences under the Indian Penal Code involving moral turpitude, taking into consideration the nature of the industry or the establishment. However, one has to follow a procedure in this regard.

No desirable procedure which may comply with principles of natural justice has been laid down in any law for dismissal or discharge of an employee, nor has it been the subject of any collective bargaining, or tripartite understanding. However, a model procedure which should be followed has been evolved. The procedure stipulates the following steps:

- i) Preliminary enquiry on receiving report of misconduct.
- ii) Issuing of charge-sheet if there is a prima facie case for misconduct and if there is some evidence for establishing the same and for obtaining explanation of the delinquent employee.
- iii) Holding fair and unbiased domestic enquiry, (if explanation of the employee is found unsatisfactory), in conformity with the principles of natural justice, giving full and real opportunity to delinquent employee to prove his or her innocence. The punishing authority is to consider the report and decide the punishment to be awarded if the employee is found guilty. In deciding the punishment it has to be seen that it is in proportion to the offence committed. The employer has also to see that the enquiry has been conducted properly before communicating the decision to the employee concerned. If at that time, the employee is a party to any pending dispute the punishing authority should take the approval of the concerned authority before whom the dispute is pending, before conveying the decision to the employee. Even if the decision is conveyed to the employee, before taking necessary permission, the employee may be informed that necessary permission is being obtained, and his or her dismissal will take effect from the date the permission is given. In the meanwhile he or she will be considered as suspended.

In India under Section 33 of the Industrial Disputes Act, 1947, if an employee is to be dismissed or discharged, and he or she is a party to a dispute which is pending before any conciliation or arbitration or adjudication authority, prior permission or approval of that authority has to be taken for passing any order of dismissal or discharge. If the employee concerned is not party to the dispute, he or she can be dismissed with one month notice or one month wages in lieu of the notice, and during that month, the employer has to apply for permission for dismissal to the authority concerned. In case of "protected workmen", prior permission for dismissal and discharge is essential even when they are not connected with the dispute. These protected workmen are union office-bearers who are declared as such, to save them from being victimised for

raising or conducting the dispute. They are nominated by the unions, and their number is not to exceed one percent of the total workforce, subject to the minimum number of five.

11.7 RETRENCHMENT

Retrenchment is a termination of service for reasons of redundancy or surplus to requirement. Retrenchment does not include voluntary retirement, retirement and termination on the grounds of ill health. By a recent amendment, non-renewal of contract is not to be regarded as retrenchment. In other words, retrenchment is termination of service, but all terminations of service are not retrenchment. According to the ruling of the Supreme Court of India “retrenchment” as defined in the Act is not to be given any wider meaning than the ordinarily accepted connotation of the word and termination of service of a workman for any reason other than he was surplus would not constitute retrenchment.

Hence, retrenchment is termination of service for redundancy, or when workers become surplus to requirements either because of rationalisation, or due to loss of market for the product, or for use of some labour saving devices. Termination of services, on account of disciplinary action, or prolonged illness, or retirement and superannuation, expiry of contract, termination of contract as per the terms of the contract, unsatisfactory working during the probationary period as provided in the standing orders or service contract and non-renewal of contract, is not retrenchment.

Lay-off is not termination of service. It is only temporary denial of employment due to circumstances beyond the control of employer, such as power shortage, mechanical breakdown, non-availability of raw material, accumulation of stocks, shortage of coal, and natural calamity or any other connected reason.

Table 1: Differences between Retrenchment and Lay-off

Lay-off	Retrenchment
i) Lay-off is the inability of the employer to provide employment to workmen due to circumstances beyond his control, such as shortage of coal, power, breakdown of machinery, natural calamity, etc. It is not a termination of service.	i) Retrenchment is termination of service. It is termination for reasons other than disciplinary action retirement or superannuation, expiry and termination contract and prolonged illness.
ii) Compensation payable is half of the wages which would have been received by the laid-off worker, if he had not been laid-off. This is payable only by establishments employing 50 or more persons, and if their work is not seasonal or intermittent. It is not payable to workers who are not on the payroll of the company, or if they are not casual or badli or substitute workers.	ii) Retrenchment compensation payable is 15 days wages for every completed year of service besides one month or three months notice or pay in lieu of notice. This is payable by all establishments covered by the Act irrespective of the number of persons employed, and to all workmen, with qualifying service, except apprentices.
iii) Lay-off compensation can be claimed as a statutory right by the workman if he has completed one year of continuous service, or has worked for 240 days on the surface or 190 days underground in 12 calendar months.	iii) Retrenchment compensation and notice for retrenchment are only pre-conditions for retrenchment and not a right which a retrenched worker can claim. If notice and compensation are not given, the worker will not be considered to have been retrenched. The qualifying conditions of one year continuous service will, of course, have to be fulfilled in order to receive compensation.

Process of retrenchment is based on the law which states that no workman employed in any industry who has been in continuous service for not less than one year or who had worked for 240 days on the surface or 190 days underground in 12 calendar months under an employer shall be retrenched by that employer unless (a) the workman has been given one month notice in writing indicating the reason for retrenchment and the period of notice has expired, or the workman has been paid one month's wages in lieu of notice; (b) the workman has been paid, at the time of

retrenchment, compensation equal to 15 days average pay for every completed year of service or any part thereof in excess of six months; (c) notice in the prescribed manner is served on the appropriate Government. No such notice may be required if the retrenchment is under an agreement which specifies date for the termination of service. The 240 and 190 days working period which qualifies a workman for receiving compensation includes days for which he was on leave with wages, or laid-off under an agreement or is permitted by Standing Orders, or absent due to temporary disablement caused by accident arising out of or in course of employment, and in case of a female employee the days on which she has been on maternity leave.

Transfer and Closure: The retrenchment compensation is also payable to workmen in case of transfer and closure of undertakings. In case of closure the employer has to give sixty days notice explaining the reason for closure to the employee as well as to the appropriate Government. In case of closures which are beyond the control of the employers or due to unavoidable circumstances, maximum compensation payable is limited to three months average pay. Financial difficulties, accumulation of undisposed stocks, expiry of lease and licence are not considered as unavoidable circumstances. Compensation is not payable for closure by the undertakings set up for the construction of the buildings, bridges, roads, canals, dams and other construction works if they are closed within two years from the date they are set up.

Procedure for Retrenchment: In case of workmen who are Indian nationals, the principle of 'first come last goes' has to be followed for retrenchment. The authorities can retrench any other employee after recording the reasons for the same. For this purpose, seniority is to be considered in relation to the same category of employees.

Re-employment of Retrenched Persons: Where any employee is retrenched, and the employer proposes to reemploy any persons, he or she shall give an opportunity to the retrenched employees who are citizens of India to offer themselves for re-employment and they shall have preference over other persons. For this, notice of vacancy has to be put up on the notice board and the retrenched persons have to be informed by registered post about this vacancy.

Retrenchment in Establishments Employing more than 100 Persons: A different law regulates retrenchment in these establishments. For retrenchment and closure, these establishments are required to give three months notice instead of one month and 60 days notice required to be given by smaller establishments. In case of closure, bigger establishments have to pay compensation as in case of retrenchment and the maximum limit of three months wages applicable to smaller establishments is no longer applicable to them. Still more important restriction on retrenchment by the bigger establishments is that they are required to apply to the Government for permission to effect retrenchment, and the latter will not be effective unless the permission is granted. For closure and lay-off also they have to seek permission. On receiving the application for permission, the Government gives opportunity to be heard to both the management and the employees and their organisations. Whatever may be the decision of the Government it will remain in force for one year. The parties are permitted to apply to the Government for reviewing their own decisions. The Government has to take decision within two months of receiving the application, and if the management does not hear anything from the Government, for two months, the permission will be considered to have been granted. The main objective is to prevent the employers from retrenching employees either light-heartedly or for invalid reasons. Sufficient data is not available to confirm whether this objective has been achieved.

Check Your Progress-2

- 1) Distinguish between
 - i) procedural and punitive suspension;
 - ii) dismissal and discharge; and
 - iii) retrenchment and lay-off.

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- 2) Discuss the relevant provisions of the existing Industrial laws, which restrict the right of employers to dismiss or retrench their workers in India.

11.8 LET US SUM UP

In this Unit we have examined the various aspects of discipline. We have seen that discipline is by and large a result of the culture and the pattern of authority/power that are available in an organisation. You as a manager will have to create conditions that will encourage positive discipline among your subordinates.

This Unit also discussed suspension, dismissal and retrenchment, the three potential causes of industrial unrest and conflicts affecting management not only in India, but the world over. These three terms have not only been defined formally, but also distinguished from one another, and also from such terms as discharge and lay-off, which can equally disturb industrial peace. Just and fair management of all these disturbing job changes can minimise if not totally eliminate their impact on employer and employee relations. How the right of management to discipline their workers, to hire and fire them or close down their undertakings or to retrench their workers has been abridged by the above two laws has also been explained. Procedure for dismissal, principles of natural justice, and practices in a few other countries have been discussed. Justification for restricting the right of employers to retrench their employees have also been discussed.

11.9 KEY WORDS

Closure : Closure means the closing of any place or part of a place of employment or the total or partial suspension of a work or total or partial refusal by an employer to continue to employ persons already in employment whether such closing, suspension or refusal is or is not in consequence of any industrial dispute.

Discharge : Termination of a contract of employment. It is not a punishment but may turn out to be a punishment in certain circumstances although the order of discharge may be couched in innocuous language.

Dismissal : Termination from employment for any of the misconducts enumerated in the Schedule to the Industrial Employment (Standing Orders) Act, 1946.

Lay-off : Lay-off means the failure, refusal or inability of an employer on account of shortage of coal, power, or raw materials or the accumulation of stocks or the breakdown of machinery or for any other reason to give employment to a workman whose name is borne on the muster-rolls of his industrial establishment and who has not been retrenched.

Lock-out : Temporary closure of business.

Retirement : Termination of service on reaching the age of superannuation.

Retrenchment : Retrenchment means the termination by the employer of service of a workman for any reason whatsoever, otherwise than as a punishment, but does not include voluntary retirement, retirement or termination for reasons of ill-health.

Suspension : Prohibiting an employee from performing the duties assigned to him, and withholding wages for so long as such prohibition continues.

11.10 CLUES TO ANSWERS

Check Your Progress-1

- 1) Compare your answer with the contents of Sec.11.2.
- 2) See Sub.-sec. 11.3.2.
- 3) See Sec. 11.4.

Check Your Progress-2

- 1) Read the relevant Secs.11.5, 11.6 and 11.7.
- 2) See Sec.11.7.

UNIT 12 EMPLOYEE GRIEVANCE HANDLING

Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 What is a Grievance?
- 12.3 Why Grievances?
- 12.4 How to Handle Grievances
- 12.5 The Discovery of Grievances
- 12.6 The Processing of Grievances
- 12.7 Steps in Grievance Handling
- 12.8 Do's and Don'ts in Grievance Handling
- 12.9 Let Us Sum Up
- 12.10 Clues to Answers

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.

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.

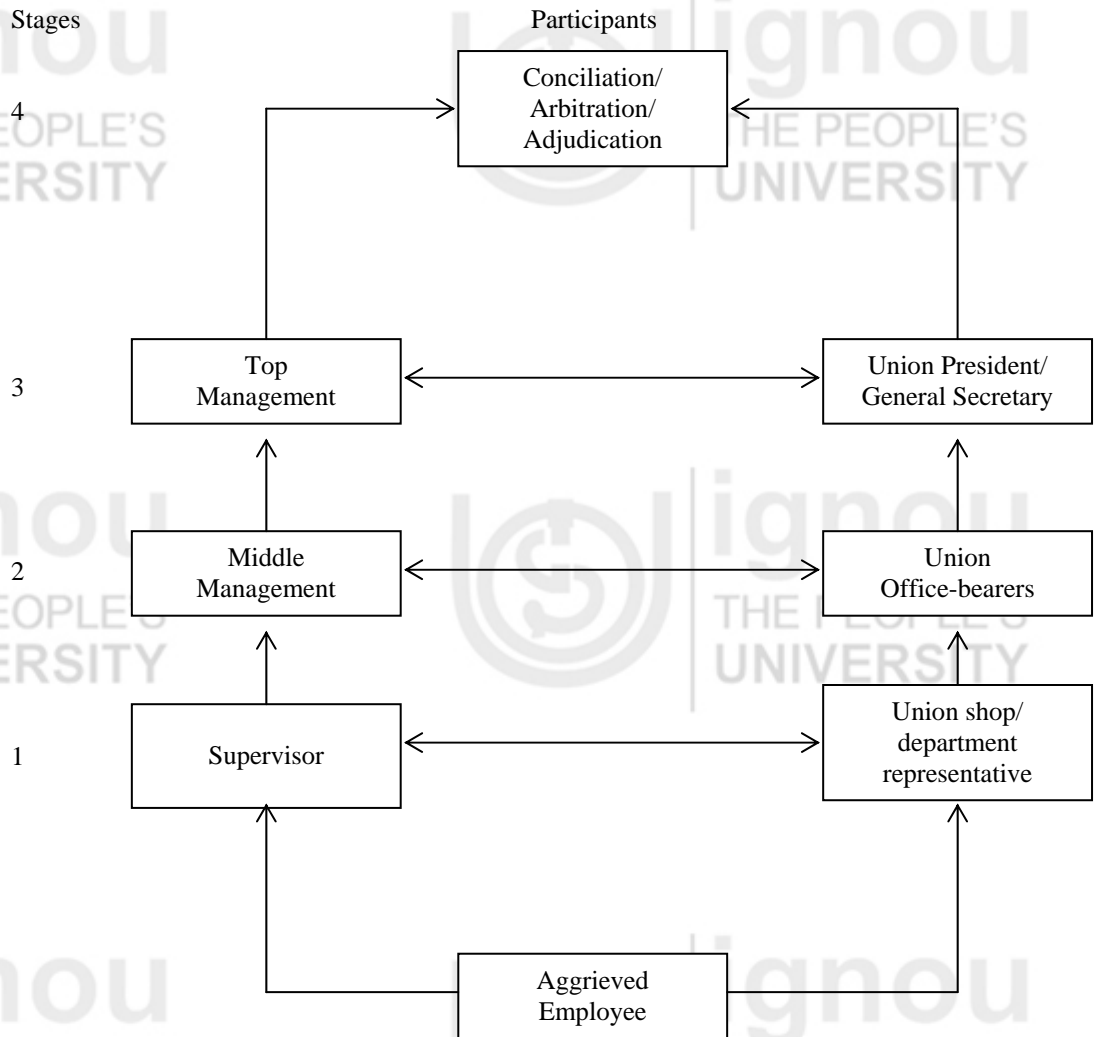


Figure I : A Grievance Procedure

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

