
Lesson - 15

GRIEVANCE AND DISPUTES SETTLEMENT

15.0 Objective:

On completion of this lesson, you should be able to understand the:

- * definitions, meaning, scope of grievance
- * causes of sources of grievances
- * need for a grievance procedure
- * grievance redressal machinery
- * grievance handling machinery
- * disputes settlement machinery

Structure:

- 15.1 Introduction
- 15.2 Meaning, Definitions, Features and Importance of Grievance
- 15.3 Causes of Grievance
- 15.4 Procedure to Know Grievances
- 15.5 Need for Grievance Procedure
- 15.6 Benefits of Grievance Procedure
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15.1 Introduction:

'Grievance' implies dissatisfaction, or distress, or suffering or grief caused unnecessarily or illegally. In labour management relations it is a complaint or representation made in writing as regard to a company related matter arising from employment or service conditions, or from conditions involving unfair treatment by the employers, or from violation of any agreement or standing instructions. Grievance is defined as real or imaginary feeling of personal injustice which an employee has concerning his employment relation. Settlement of grievances has not received adequate attention in our legislative framework. Present enactments which only indirectly deal with the redressal of individual grievances are the Industrial Employment Act 1946; the Factories Act, 1948, and the Industrial Dispute Act 1947.

15.2 Meaning, Definitions, Features and Importance of Grievance:

According to **Michael J. Jucius**, the term "Grievance" means "any discontents or dissatisfaction, whether expressed or not whether valid or not, arising out of anything connected with the company that an employee thinks' believes or even feels, is unfair, unjust or inequitable". This definition is very broad and covers dissatisfactions which have the following

Characteristics:

1. The discontent must arise out of something connected with the company:

Workers may be classified because of several reasons, e.g. illness in the family, quarrel with a neighbour, disliking for the political party in power, and so on. Such outside sources are beyond the control of the company and therefore, do not constitute a grievance.

2. The discontent may be expressed or implied:

Expressed grievances are comparatively easy to recognise and are manifested in several ways, e.g. gossiping, jealousy, active criticism, argumentation, increased labour turnover, carelessness in the use of tools and materials, untidy house keeping, poor workmanship, etc. unexpressed grievances are indicated by indifference to work, day dreaming absenteeism, tardiness etc., It is not wise to recognise only expressed grievances and overlook the unexpressed ones.

3. The discontent may be valid, legitimate and rational or untrue and irrational or completely ludicrous:

The point is that when a grievance held by an employee comes to the notice of the management it cannot usually dismiss it as irrational or untrue. Such grievances also have to be attended to by the management in the same way as rational grievances. We should know that a large part of our behaviour is irrational. This may be largely due to our destroyed perception. Emotional grievances which are based upon sentiments (like love, hearted, resentment, anger, envy, fear etc.), misconceptions and lack of thinking are examples of our irrational behaviour. These grievances are the most difficult to handle.

15.3 Causes of Grievances:

The causes of grievances may broadly be classified in the following categories:

A) Grievances resulting from working conditions:

- i) Improper matching of the worker with the job
- ii) Changes in schedules or procedures
- iii) Non-availability of proper tools, machines and equipment for doing the job
- iv) Tight production standards
- v) Bad Physical conditions of workplace.
- vi) Failure to maintain proper discipline
- vii) Poor relationship with the supervisor

B) Grievances resulting from Management Policy:

- i) Wage payment and job rates

- ii) Leave
- iii) Overtime
- iv) Seniority
- v) Transfer
- vi) Promotion, demotion and discharges
- vii) Lack of Career Planning and Employee Development Plan
- viii) Hostility towards a labour union.

C) Grievances resulting from Alleged Violation of:

- i) The collective bargaining agreement.
- ii) Central or State laws
- iii) Past Practice.
- iv) Company rules
- v) Managements responsibility

D) Grievances resulting from Personal Maladjustment:

- i) Over - ambition
- ii) Excessive self-esteem
- iii) Impractical attitude to life, etc.

15.4 Procedure to know about Grievance:

A good management redresses grievances as they arise, excellent management anticipates them and prevents them from arising. A manager can know about the simmerings even before they turn into actual grievances through several means such as the exit interviews, gripe boxes, opinion surveys and the open door policy:

1. Exit Interview: Employees usually quit organisations due to dissatisfaction or better prospect else where. Exit interviews, if conducted carefully, can provide important information about employee's grievances.

2. Gripe Boxes: These are boxes in which the employees can drop their anonymous complaints. They are different from the suggestion boxes in which employees drop their named suggestions with an intention to receive rewards.

3. Opinion Surveys etc.: Group meetings, periodical interviews with employees, Collective Bargaining sessions are some other means through which one can get information about employees dissatisfaction before it turns into a grievance.

4. Open-door Policy: Some organisations extend a general invitation to their employees to informally drop in the managers room any time and talk over their grievances. At first glance, this policy may appear very attractive but it has some limitations. Those are:

- 1) This policy is workable only in very small organisations
- 2) Under this policy the frontline supervisor who should be the first man to know about the grievances of his subordinates is bypassed.
- 3) Top Management is likely to be too unfamiliar with the work situation in which the grievances developed to be able to correctly evaluate the information that it gets.
- 4) Sometimes an open-door policy is used to hide the Top Management's own hesitation to make contracts with the operatives and the open door is often a slogan to conceal closed minds.

15.6 Need for Grievance Procedure, Machinery for Handling Grievances:

Every organisation needs a permanent procedure for handling grievances. This procedure usually consists of a number of steps arranged in a hierarchy. The number of these steps varies with the size of the organisation. A small organisation may have only two steps - the supervisor and the manager - but a big organisation may have as many as ten steps. The first and the last steps are almost always the same for all organisations. Though a labour union is not essential to the establishment and operation of a grievance procedure, one is assumed in the diagram of a four step grievance procedure which is shown in the Fig. 15.1.

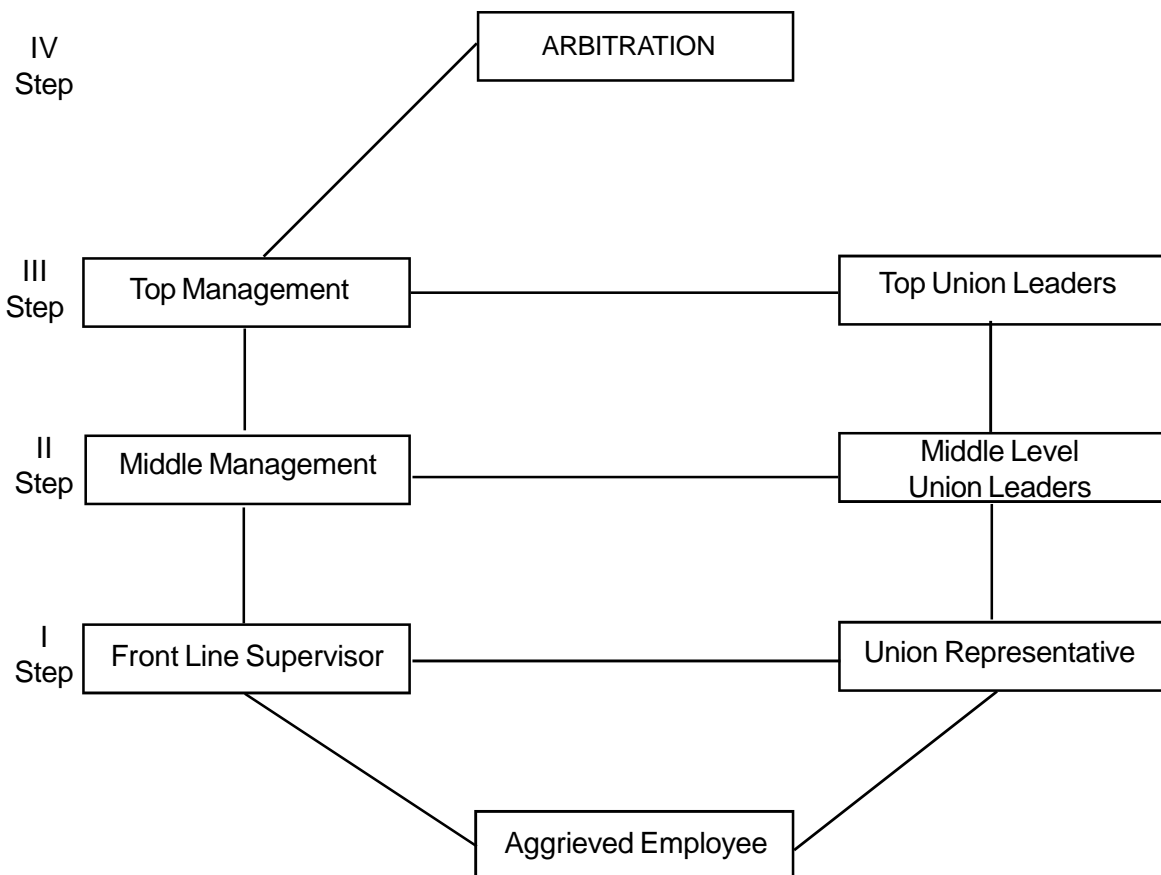


Fig. 15.1 : A Four-Step grievance procedure

As is shown in the diagram, the frontline supervisor is always accorded the first opportunity to handle grievances. He is the first rung of the ladder. If the concern is unionised, a representative of the union may also join him. This step is very necessary to preserve the authority of the supervisor over his workers. But all grievances cannot be handled by the supervisor because many of them involve issues or policies which are beyond the limits of the authority. There may be some grievances which he may fail to redress and find solution for. Hence provision is made for a second step in handling grievances. The second step may be the personnel officer himself or some middle level line executive. If the concern is unionised, some higher personnel in the union hierarchy may join him. It should, however, be remembered that by injecting the personnel officer into the procedure at this step and by giving him authority to overrule and reverse the decision of the supervisor the fundamental principle of line and staff relationship is violated. A third step is constituted by the top management to handle grievances involving company-wide issues. In this step the top union representatives join. The redressal of grievances becomes complex and difficult because by now they acquire political hues and colours. If the grievance has not been settled by top management and top union leadership then in the fourth and final step it may be referred to an impartial outside person called on "arbitrator". Two other possibilities are that the issue may be temporarily or permanently dropped or the workers may go on strike.

15.6 Benefits of a Grievance Procedure:

1. It brings grievances into the open so that management can learn about them and try correction action.
2. It helps in preventing grievances from assuming big proportions. The management catches and solves a grievance before it becomes a dispute.
3. It provides employees a formalised means of emotional release for their dissatisfactions. Even if a worker does not use the grievance system for his own emotional release in a particular situation, he feels better because he knows the system is there to use if he wants to do so. It builds within him a sense of emotional security.
4. It acts as a check upon arbitrary and capricious management action. When a manager knows that his actions are subject to challenge and review in a grievance system he becomes more careful in taking his decisions.
5. It helps in establishing and maintaining a work culture or way of life. As problems are interpreted in the grievance procedure, the group learns how it is expected to respond to the policies that have been set up.

15.8 Settlement of disputes (Grievances) in Indian Industry:

If the workmen having grievances while working in an organisation, it leads to differences and disputes between employer and employee. Therefore these disputes (grievances) resolved by the following ways.

Settlement of grievances has not received adequate attention in our legislative framework. Present enactments which only indirectly deal with the redressal of individual grievances are the Industrial Employment (standing orders) Act, 1946; the Factories Act, 1948; and the Industrial Disputes Act 1947. The Industrial Employment Act provides that every establishment employing 100 or more workers should frame standing orders which should contain, among other matters, provisions for means of redress for workmen against unfair treatment or wrongful exactions by the employer or

his agents or servants. Similarly, section 49 of the Factories Act provides for the appointment of welfare officers in every factory wherein 500 or more workers are ordinarily employed. These officers are generally entrusted with the task of dealing with complaints, grievances and disputes.

Under Section 2A of the Industrial Disputes Act (which was added to the Act by an amendment made 1965), the term "Industrial Dispute" includes all differences between an individual workman and his employer connected with, or arising out of his discharge, dismissal, retrenchment or termination notwithstanding that no other workman nor any union or workmen is a party to dispute. The effect of this provision is that the individual grievances of a worker of the kind noted above can in future pass through the settlement machinery which has been provided for under the act.

Industrial Disputes Amendment Act 1982:

In order to meet the shortcoming, the Industrial Disputes Amendment Act 1982, which has not yet been enforced provides for the setting up of Grievance Settlement Authorities and reference of certain individual disputes to such authorities.

Section 9-C of the Amendment Act Provides:

(1) The employer in relation to every industrial establishment in which fifty or more workmen are employed or have been employed on any day in the preceding twelve months, shall provide for, in accordance with the rules made in that behalf under this act, a Grievance Settlement Authority for the settlement of industrial disputes connected with an individual workman employed in the establishment.

(2) The Grievance Settlement Authority referred to in sub-section(1) shall follow such procedure and complete its proceedings within such period as may be prescribed.

(3) No reference shall be made to Boards, Courts or Tribunals of any dispute referred to in this section unless such dispute has been referred to the Grievance Settlement Authority is not acceptable to any of the parties to the dispute.

Collective Bargaining:

Collective Bargaining is the one of best mechanism to resolve disputes and grievances between employee and employer in an organisation. It may be defined as "the process in which conditions of employment are determined by agreement between representatives of the union, on the one hand, and those of employer, on the other hand". It is called "Collective" because both the employer and the employees act as a group rather than individuals. It is described as "bargaining" because the method of reaching an agreement involves proposals and counter proposals offers and counter-offers.

Benefits of Collective Bargaining:

1. It provides a method for the regulation of conditions of employment by those directly concerned. The employers and workers in an industry know more about its conditions and problems than one else.
2. It provides a flexible means of adjusting wages and conditions of employment to economic and technological changes in industry. The parties can meet whenever necessary and can adopt the terms of their agreements to these changes.
3. It leads to better implementation of decisions because of the direct involvement of both the parties is reaching them. Parties know that the decisions are their own and are not imposed.

15.8 Summary:

Grievance implies dissatisfaction, or distress, of suffering or grief caused unnecessarily or illegally. In labour management relations it is a complaint or representation made in writing as regard to a company related matters arising from employment or service conditions, or from conditions involving unfair treatment by the employers, or from violation of any agreement or standing instructions.

Grievance system helps to solve problems before they become serious. If problems are allowed to accumulate unsolved, their quantity may get so great that they may have adequate pressure "to blow off the lid of the whole section or department". A good grievance system can prevent the developments of unwanted system and keep social pressures within bounds.

In handling grievances (disputes) adequate time must be spent on talking to employees, gathering data from them and passing various types of information. In order to meet the short coming, the Industrial Disputes Amendment Act 1982, provides machinery to settle the industrial disputes.

Prompt and effective handling of grievances is the key to industrial peace. Grievances should be resolved and eased long before they assume the character of an open conflict. In our country where illiteracy is high and people from villages, seek employment in the alien atmosphere of an industrial unit, grievances are many and varied. Operations, procedures and supervisory techniques are not easily understood and lead to grievances. A sound and well understood statutory grievance procedure is, therefore, a 'must' for our Indian Industries.

15.9 Technical Terms:

Grievance	: Dissatisfaction, discontent
Aggrieved	: Suffered with injury
Over time	: Done after regular hours
Open-door	: Free, set open

15.10 Self - Assessment Questions:

1. Define 'grievance' and give its characteristics.
2. What are the desirable features of a grievance procedure? Which points should be remembered when handling a grievance.
3. How are grievances redressed in Indian Industry.
4. "An effective grievance handling procedure is preventive rather than curative". Discuss.

15.11 Reference Books:

1. K.K. Ahuja, *Personnel Management*, Kalyani Publishers, New Delhi, 2005
2. C.B. Mamoria, *Personnel Management*, Himalaya Publishing House, New Delhi, 2001
3. P.C. Tripathi, *Personnel Management & Industrial Relations*, Sultan Chand & Sons, New Delhi, 1996
4. Yoder, Dale, *Personnel Management and Industrial Relations*, 1972

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