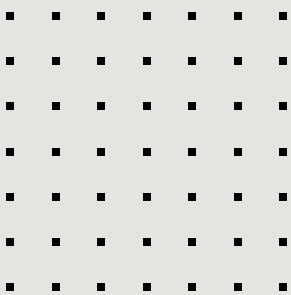




# **EMPLOYEES GRIEVANCES, REDRESSAL & SETTLEMENT IN INDIAN INDUSTRY**



**Dr. Supriya Chhikara**

# Employees Grievances, Redressal & Settlement in Indian Industry



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# Employees Grievances, Redressal & Settlement in Indian Industry

*By:*

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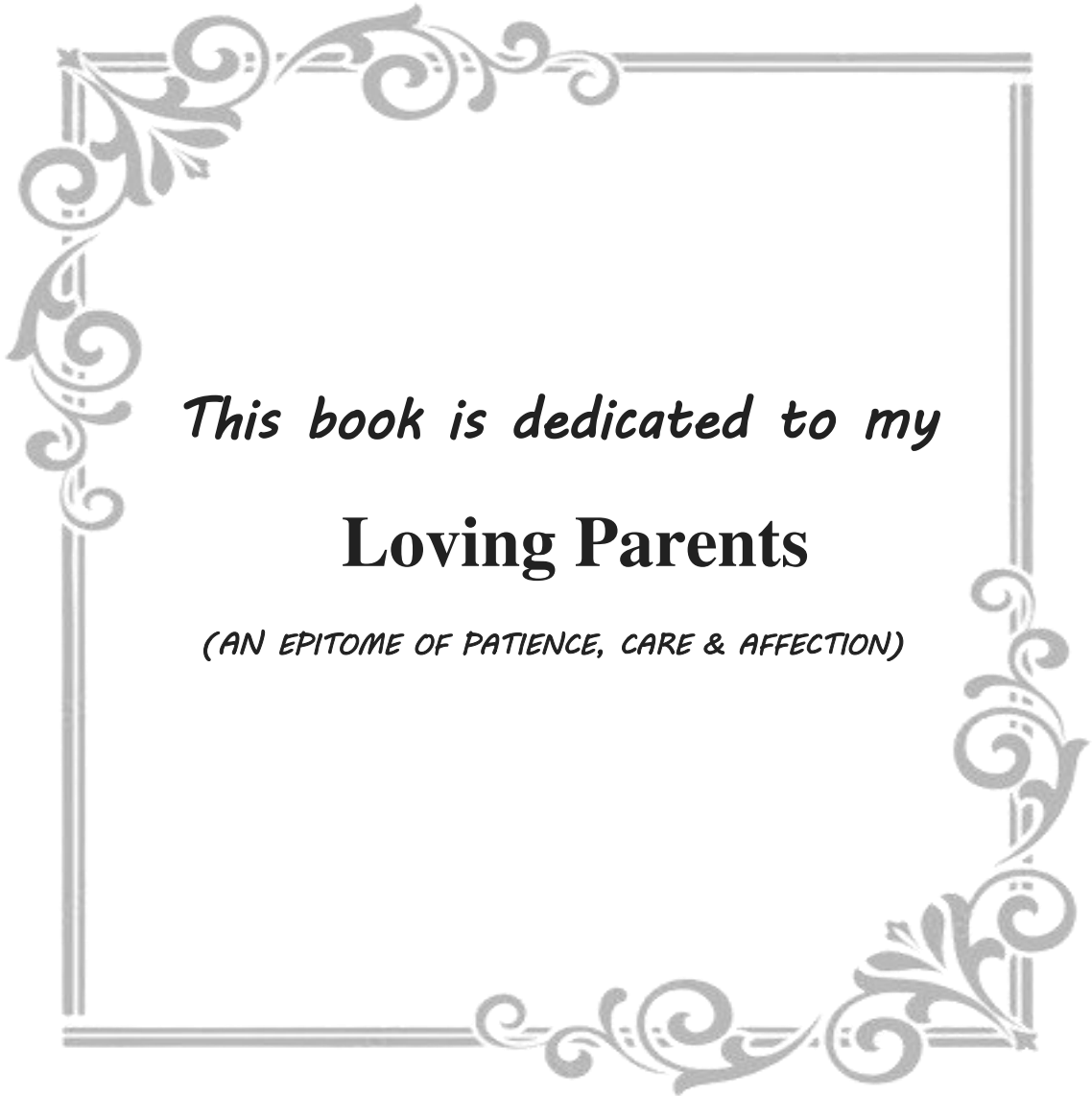
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*This book is dedicated to my*

**Loving Parents**

*(AN EPITOME OF PATIENCE, CARE & AFFECTION)*

## Preface

Of all the sources of production, man is unique and complex because an employee is a human being who has emotions, feelings, sentiments, expectations, aspirations, hopes, liking, disliking, attitudes, values, ethics, he can act and react on certain behaviours, he can be happy, contented and satisfied and he can also be unhappy, disturbed, discontented, dissatisfied and hence can have grievances in personal, family, social and organisational life. The exponents of the management in modern times have advocated that employee's grievances should be better managed rather than suppressed in order to achieve smooth organisational functioning in a healthy and constructive environment.

The crux of the industrial relations scenario is to devise ways and means to reconcile and reduce the level and areas of employees grievances on the one hand and further the interest of the stake groups in the direction of organisational ideals and goals on the other hand. There is need to pay adequate attention to industrial relations scene and attending to various causal factors which influence industrial relations. The chief component of such causal factor is employees grievances which forms the backbone of healthy industrial relations.

The present empirical study represents a dispassionate and comprehensive account of employees grievances – practices and procedures in ten organisations located in different centres of Delhi, Haryana and Uttar Pradesh. The organisations represent a different profile in terms of location, products, ownership, age and human relations approach. The research work explores the important issues like typical grievances and their causes, sources used to discover employee grievances, conceptual and theoretical framework of grievances handling practices and procedure, legal framework of grievance settlement machinery in India.

The research work is based on intensive field work for two years when the researcher spend considerable time in factory premises, managers offices, canteens, gate meetings and interviewing 500 respondents (100 managers and 400 employees). The work is a modest attempt to study employees grievances at grass root level in diverse and different organisations with a view to understand the dynamics of total situation and this is what, this research work seeks to provide.

It needs to be stressed that even after settling all grievances, more grievances will come up and call for attention. This is a process arising from the law of nature. Like pain, sorrow or illness, grievances in some form or the other continue to come up as man lives and works in an imperfect society. But the point is that efforts should continue through better management of resources to relieve the employee of his anxiety, distrust and fear in the work-setting.

## Acknowledgement

I would like to take this opportunity to express my gratitude to all those who have directly or indirectly helped me in the course of this study. First of all, I would like to express my indebtedness and gratitude to Prof, L.N. Dahiya and Dr. A.S. Chhillar for their scholarly guidance, constant supervision and encouragement. Throughout the study, they have been a source of inspiration.

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I acknowledge my deep sense of gratitude to my worthy parents whose constant efforts rocked me from cradle to the highest path of academics. Since, from my birth they have been the major source of inspiration to me.

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**Dr. Supriya Chhikara**

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## Abbreviations

AAI	:	Airport Authority of India
AMEs	:	Aircraft Maintenance Engineers
ASP	:	Alloy Steel Plant
BIRA	:	Bombay Industrial Relations Act
BOL	:	Bhilai Oxygen Limited
BSL	:	Bokaro Steel Plant
BSP	:	Bhilai Steel Plant
CENPEEP	:	Centre for Power Efficiency and Environment Protection
CET	:	Centre for Engineering and Technology
CMD	:	Chief Managing Director
CMO	:	Central Marketing Organisation
DFID	:	Department of International Development
DIR	:	Defence of India Rules
DSP	:	Durgapur Steel Plant
ECA	:	Essential Commodities Act
GVT	:	Gramin Vikas Trust
HNG	:	Hindustan National Glass Industries Ltd.
HSW	:	Hindustan Sanitaryware Industries Ltd.
IA	:	Indian Airlines Ltd.
IDA	:	Industrial Disputes Act
ILC	:	Indian Labour Conference
ILO	:	International Labour Organisation
IIPM	:	Indian Oil Institute of Petroleum Management
IISCO	:	Indian Iron and Steel Company
INTUC	:	Indian National Trade Union Congress
IOCL	:	Indian Oil Corporation Ltd.
IOML	:	Indian Oil Mauritius Ltd.
ISI	:	Indian Standard Institution
KBKs	:	Krishak Bharti Sewa Kendras
KRIBHCO	:	Krishak Bharti Cooperative Ltd.

LMS	:	Lok Mazdoor Sangh
LNG	:	Liquified Natural Gas
LTA	:	Long Term Agreement
MEL	:	Maharashtra Elektros melt Ltd.
MGP	:	Model Grievance Procedure
MLA	:	Member of Legislative Assembly
MMTC	:	Mineral Metal Trading Corporation
MOU	:	Memorandum of Understanding
MTT	:	Management Training Institute
NCL	:	National Commission on Labour
NDMC	:	National Mineral Development Corporation
NGO	:	Non Government Organisation
NLRA	:	National Labour Relations Act
NLRB	:	National Labour Relations Board
NPC	:	National Productivity Council
NTPC	:	National Thermal Power Corporation
OMISCO	:	Oman India Fertilizer Company
PACS	:	Primary Agricultural Cooperative Societies
PLL	:	Petronet LNG Ltd.
PMI	:	Power Management Institute
PRI	:	Panchayati Raj Institutions
PSE	:	Public Sector Enterprise
QFAA	:	Qeshm Free Area Authority
RDCIS	:	Research and Development Centre for Iron and Steel
ROG	:	Redressal of Grievances
RSP	:	Rourkela Steel Plant
SAIL	:	Steel Authority of India Ltd.
SAILCON	:	SAIL Consultancy Division
SSI	:	Small Scale Industries
SSP	:	Salem Steel Plant
VISL	:	Visvesvaraya Iron and Steel Plant

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*Chapter - 1*

# **Introduction**

The true significance of the grievance emerges only when we recognise the expression of dissatisfaction as a symptom of friction, of malfunctioning somewhere in this living structure of shop relationships.

– Benjamin M. Selekman<sup>1</sup>

There was a time when machines and materials were given more importance than men as a source of production. But, Sociologist, Psychologist and Anthropologist in their various research studies and theories proved that man is not a dead resource like machines, money and materials. An employee is also a human being who has emotions, feelings and sentiments, he has expectations, aspirations and hopes, he has liking, disliking, attitudes, values, ethics, he can act and react on certain behaviours, he can be happy, contented and satisfied and he can also be unhappy, disturbed, discontented, dissatisfied and hence can have grievances in personal, family, social and organisational life.

### **Employee Dissatisfaction**

A common impression of labour – management relations is that they are generally unsatisfactory. As is well known, various interest groups collaborate in the successful functioning of an organisation, including an industry. It is observed that these interest groups, strive to protect and further their own interests along with the pursuit of organisational interests. In this process, they make use of their power position in the industrial organisation. In a way, therefore, these groups can be said to be involved in a political struggle at the work place. That is why, sometimes, **‘industry is described as microcosm of the larger society’**; this underscores that it is difficult to segregate industry from the prevalent political and social values and realities. The exercise of power by various groups in industrial organisation and governance often leads to **‘formation of rules’** in various forms. Employers mainly show concern for efficiency, industrial discipline, profitability and growth of the enterprise; on the other hand, labour expects a living wage; social security against industrial contingencies like employment injuries, unemployment, sickness etc; and for compliance of certain minimum standards of employment.

In their working lives, employees occasionally have causes to be uncomfortable, disappointed or aggrieved either about certain managerial decisions, practices or service conditions. When human beings work together there is likelihood of friction and misunderstanding. Some of these areas of friction could lead to unhappiness or dissatisfaction among workers.

The economic demands like wages, dearness allowance, and bonus are the most fundamental sources for industrial strife as money is an important work-incentive to secure the fruits of production in industrial societies. As Katz points out,

**“So long as income remained all the important means for satisfying human wants and needs, wages would continue to be a major consideration in employee grievance.”<sup>2</sup>**

Factors such as supervisory attitude and behaviour, stereotype behaviour of the union and workers, exploitative nature of the employers, distribution of work, status differences, task uncertainties, role ambiguities differential reward system leading to discontentment and dissatisfactions also give rise to a number of interpersonal and inter-group grievances in industrial societies. The question then is whether this particular symptom or feeling is given any attention or is ignored altogether. What are the pros and cons of each of the approaches? To a large extent, the approach will be governed by several variables such as style of management, size of the enterprise, level of education of the workforce, technology of the plant and the extent of unionisation of the workforce.

In the present – day social context<sup>3</sup>, especially in democratic systems, it is accepted that employees should be able to express their dissatisfaction, whether it be a minor irritation, a



serious problem, or a difference of opinion with the supervisor over terms and conditions of employment. In respect of the latter, it could stem either from the interpretation of the contract, or in the absence of a negotiable collective contract between management and union.

In India, the government has been making a plea for grievance machinery at the plant level ever since 1956 - 1958 when the standing committee of the **Indian Labour Conference (ILC)** submitted a draft on the various aspects of a grievance procedure. The National Commission on Labour set up by the Government as a tripartite body in 1969 also spelt out the nature of grievance and a model grievance procedure. However, this remains a recommendation and is not a statute yet. In effect, government machinery can only recommend but it is up to the respective managements of each enterprise to formally adopt or reject the grievance procedure. It must be noted that there are many instances in India today, where the corporate management and union, through the collective bargaining process, have adopted a grievance procedure.

**Grievance is an universal phenomenon.**<sup>4</sup> It is inevitable, unavoidable and endemic in organisation life and inter-personal relationships, because of man's unique capability to perceive differences in any given situation. Like pain, sorrow or illness, grievance in some form or the other continues to come up as man lives and works in an imperfect society. The grievance cannot be completely eliminated but can be resolved, minimised and settled through better management of resources, personnel policies and dynamic management style. As Voltaire is reputed to have observed,

**“Man will differ as autumn leaves will rustle.”**

**The grievance procedure is one of the most important means available for employees to express their dissatisfaction.** It is also a means available to management to keep a check on relevant diagnostic data on the state of the organisation's health. There are other means also for this, such as decline in production/ output (other things being equal), change in an individual's work habits and approach to the job itself. Statistical indices taken together and analysed to determine a pattern could also be revealing – indices such as absenteeism rates, accident data, requests for transfer, number of disciplinary cases and separation or quits. Besides, there are some employees who by nature are not forthcoming and hence, may not like to avail the grievance machinery. In such cases these indices have an added justification. Nevertheless, rather than only wait for the grievance mechanism to indicate the state of the organisation's health, the management could use the above indices in conjunction with the grievance procedure to anticipate problem areas and take corrective action, or introduce new policies, as the situation may demand.

Whether this channel of upward communication will in the first instance be implemented will depend on the management's approach, the extent of unionisation and the union's strength in each particular plant.

**In employment relationships both employer and employee have mutual expectations.** When an employee's expectations are not fulfilled, he 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.

In course of working together in the organisation, an employee may feel or believe that he/she is being neglected by the supervisor, colleagues or his/her terms and condition of employment has been deliberately violated. As a result, an employee remains unhappy and dissatisfied in the place of work although it is truism that when human beings work together there is every likelihood of friction and misunderstanding, which cause dissatisfaction. If the dissatisfaction of the employees goes unattended, the increased irritation of the employees may lead to

unfavourable attitudes towards supervisor, colleagues and the organisation and ultimately gives rise to poor industrial relations. **This state of affairs of an employee is called grievance and the person who has dissatisfaction is called grievant.**<sup>5</sup>

Grievance means any real or imagined feeling of personal injustice which an employee has in regard to his employment relationship. In a narrow sense, in unionised organisations, a grievance means any protested violation of the labour agreement. It may relate to any factor involving wages, salaries, hours or conditions of employment, which is used as a complaint against the employer. Grievance may also rise because of psychological reasons, which may not be very obvious and thus not capable of being clearly explained. In such cases, **the concerned manager will have to play the role of a counselor or 'a friend, philosopher and guide' for the employee carrying some psychological problem or grievance.**<sup>6</sup>

### 1.1 IMPORTANCE OF EFFECTIVE GRIEVANCE MACHINERY

Organisation does not exist in vacuum, but made of people and function through people. An organisation is what its people are. **Late J.R.D Tata** said in one of the seminar that the difference between Tata's organisations and any other organisation is not of technology, capital, market but its employees who are competent, loyal and committed. Organisations are made or broken not by competition, technology, market and finance but by its people. *Happy, satisfied, contented employees are the greatest and most invaluable assets in any organisation.* Such employees will be more productive, more committed, loyal and with high morale. The performance of an employee depends on skill and will. An unhappy, dissatisfied and discontented employee lacks will to work. Such employee practice all the dysfunctional behaviour like low productivity, wastage, low morale, stressful and tense behaviour, conflicting interpersonal behaviour, low quality, increase in the cost, high absenteeism and turnover, increase in accidents and reduced level of commitment, sincerity and punctuality. Such a scenario is not only damaging to the employees but also to the organisation because such *dissatisfied and unhappy employee is the greatest liability to the organisation.* Such an employee looks around and finds everybody unkind to him. He is aggrieved and wants to *ventilate his feelings and reactions.*<sup>7</sup>

**Prompt and effective disposal of workers grievances is the key to industrial peace and harmonious inter-personal relations.** A well-defined grievance procedure is an important element of sound industrial relations machinery. Such a procedure is effective if it build a team of satisfied, committed and dedicated employees by removing their grievances. An unsettled grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to *major explosions.*<sup>8</sup> This calls for a systematic procedure of handling grievance for the just and speedy disposal of grievance. *The present study is an attempt to identify and suggest such an effective, flexible and simple procedure of settlement of grievance that can ensure the speedy redressal of the grievances and must be capable of ensuring a sense of satisfaction to the employee concerned.*

### 1.2 CHANGING SCENARIO

Recent events and changes in the world economic order portends the traditional institutions of employee-employer relationship have become somewhat inadequate, if not irrelevant to deal with the emerging complex issues. The structural changes occurring in the economy since the middle of 1991 like liberalisation and deregulation, privatisation, competitiveness, encouragement to multinationals, new technologies and return to market economy and globalisation have profound implications for Indian organisations. It is both difficult and unwise to generalise the effects of the myriad, complex and rapid changes occurring at various levels within and outside enterprises, nations, regions and in the world in the management-employee relations. Such relations are culture specific.

The forces of globalisation and competition will require high performance systems and thus call for developing disciplined and skilled work force and sustaining their motivation and commitment by finding a match between their own and that of organisational expectations and needs. Such a situation can only be achieved if the grievance redressal mechanism is equipped to effectively deal with discontentment and dissatisfactions of the employees. The emphasis should be to the change from the **'Model Employer' to 'Model Performer'**. Major impact of the rapidly emerging scenario could be a relentless demand for the performance orientation of enterprise at the strategic, functional and operational levels. The quantum and quality of output will have to become the passion of the corporate sector. The quality and qualitative development of the human resources in organisations becomes an indispensable condition for the survival and growth of the organisation in a fiercely competitive environment. Whether it is changes in the international economic scene or changes in the socio-economic environment of India leading to changes of work environment, work organisation and worker profile, it all calls for a fresh perspective on the thinking, beliefs, philosophy and value system regarding management of people at the workplace. A fresh look is warranted at the institutional-cum-legal framework of Industrial Relations and the roles of the three actors. Such far-reaching changes call for a radical rethinking about the traditional roles of all the major social partners – unions, employers and the Government.

### **1.3 REVIEW OF EXISTING LITERATURE**

Several reviews of grievance procedure research were published in the mid to late 1980s (Gordon & Miller, 1984; Labig & Greer, 1988; and Lewin & Peterson, 1988). First, the authors noted the relative scarcity of grievance procedure research. Given the importance of grievance procedures for facilitating justice in the workplace, Gordon and Miller (1984, p. 118) note that this neglect is “disturbing.”

**Allen and Keaveny (1985)**<sup>9</sup> noted the inconsistent results and low explanatory power of studies focusing on demographic and job related variables to differentiate between grievants and nongrievants. They focused on several attitudinal variables in their study of grievants and nongrievants from the **1977 Quality of Employment Survey**. They found several statistically significant differences in attitudinal measures between grievants and nongrievants. Grievants were less satisfied with their jobs, had poorer attitudes toward their line supervisors, had greater feelings of pay inequity, had stronger beliefs that workers should participate in decision-making, were less satisfied with their unions, and more active in their unions. The lower satisfaction with the union among grievants may be due to dissatisfaction with the processing of their grievances. As Allen and Keaveny note, a limitation of this study is that the attitudinal measures were obtained after the grievants had initiated their grievances.

**Knight (1986)**<sup>10</sup> found that there is substantial variation among union and management officials' self assessments of their use of feedback about prior grievance settlements and arbitration decisions in grievance processing. More frequent use of feedback from prior grievance settlements was related to higher rates of grievance resolution.

**Clark (1986)**<sup>11</sup> developed a series of measures of union members' attitudes toward the grievance procedure. These include four dimensions: perceptions of the effect of the grievance procedure on workplace equity and dignity; the fairness of the grievance process; the extent to which it represents workers' interests; and the importance of having a grievance procedure. Demographic characteristics were generally unrelated to the workers' attitudes toward the grievance procedure, but job satisfaction, satisfaction with supervisors, and workers' perceptions of the shop stewards' skill and availability were all related to more favorable attitudes toward the grievance procedure. Grievance filers perceived the grievance procedure to have less effect on the workplace than nonfilers, but filers perceived the procedure to be more representative of their interests and more important.

**Lewin and Peterson (1988)**<sup>12</sup> discuss the results of a survey about grievance activity conducted by one of the organisations included in their study. Based on data reported by Lewin and Peterson, 16 percent of employees said they had no issues that warranted filing a grievance over the past year and another 12 percent said they only had questions of clarification about policies but apparently no grievable issue. Thus, 28 percent of employees would effectively be eliminated as potential grievants because they had experienced no grievable events.

**Lewin and Peterson (1988)**<sup>13</sup> investigated differences in the personal characteristics of grievants and nongrievants in four organisations. They found consistent results across all four organisations for three variables. Grievants were younger and had less education than nongrievants, and blacks were more likely to grieve than nonblacks. In three of the organisations, males were more likely to file a grievance than females, but gender was insignificant in the fourth organisation.

**Klaas and DeNisi (1989)**<sup>14</sup> also provided evidence that employees who file grievances against their supervisors, especially when they win, get poorer performance ratings from those supervisors than is the case when the grievances filed are policy grievances. This effect disappeared when the supervisor doing the performance rating was not the one present at the time the grievance was filed. They convincingly showed that changes in the grievors' behavior could not account for the more negative ratings received after grievance filing.

**Klaas's (1989a)**<sup>15</sup> presents the most elaborate theoretical framework model of employee decision-making regarding grievance filing begins by assuming that employees perceive grievance opportunities. Focusing on management behaviors to explain grievable events is consistent with the grievance procedure dictum that "management acts, the union reacts," but other factors such as the scope and complexity of the collective agreement may be important also.

**Gordon and Bowlby (1989)**<sup>16</sup> conducted the only experimental study of grievance initiation. They provided subjects with a series of disciplinary vignettes and asked their intent to seek redress for the discipline in each vignette. The vignettes varied to test several propositions derived from reactance theory and attribution theory. They found that a greater perceived threat to the worker's freedom and actions motivated by a dispositional rather than environmental attribution provoked a stronger intent to file a grievance. While experimental studies have limitations since they study intentions rather than actual grievance behaviors, they are very valuable for research on grievance initiation since they permit the testing of propositions that cannot be tested with archival data. More emphasis on experimental studies in future research will, therefore, facilitate our stated objective of incorporating more social science theories into grievance research.

**Dastmalchian (1989) and Dastmalchian and Ng (1990)**<sup>17</sup> found that the perception of a more favorable industrial relations climate by managers was related to higher grievance settlement rates and settlement at lower levels of the grievance procedure.

**Bemmels, Reshef and Stratton-Devine (1991)**<sup>18</sup> They included a measure of the shop steward's assessment of the supervisor's knowledge of the collective agreement, and this had a negative relationship with grievance rates. This result is consistent with a common complaint from shop stewards in interviews conducted as part of these studies that supervisors often violate the collective agreement because they do not know what the agreement says on certain issues.

**Duane (1991)**<sup>19</sup> measured shop stewards' perceptions of how they felt their constituents wanted them to behave in the grievance procedure. Stewards who perceived that their constituents wanted them to be more competitive when interacting with management on grievances had

higher grievance rates than those who perceived less desired competition. Interpreting this result is difficult, since it may reflect employees who are more aggressive grievance filers, or it may reflect stewards who behave more aggressively to comply with the perceived desires of their constituents.

**Boroff (1991)**<sup>20</sup> did a very comprehensive study of managers' and employees' perceptions of the effectiveness of a company complaint procedure at a nonunion company. She found that the determinants of perceived effectiveness were quite different for managers and employees, and there were also significant differences among employee complaint filers and non filers and managers against whom a complaint was filed and those without complaints filed against them. The results suggest that model specification may need to be specific to the participants in the procedure that are the subjects of the study and control for whether the subjects have been actively involved with the grievance procedure.

**Eaton, Gordon and Keefe (1992)**.<sup>21</sup> They examined the relationship between subjective evaluations of grievance procedures and measures of commitment which is important since commitment has been found to be related to numerous measures of grievance procedure behaviors and outcomes. Employer commitment has been found to be negatively related to absenteeism and turnover.

**Chaykowski, Stotsve and Butler (1992)**<sup>22</sup> found mixed results for the impact of prior grievances granted on the same issue on the likelihood of resolving a grievance. At the first step of the procedure, they found evidence that prior grievances granted on the same issue decreased the likelihood of settlement at that step, but at the second step of the procedure prior grievances granted on the same issue increased the chances of settlement. At the second step, multiple grievants (suggesting a policy issue) were also related to lower chances of settlement. An important result of their study is that the determinants of settlement varied across steps of the procedure. This could reflect changes in how the union and/or management officials handle grievances from one step to the next.

**Mesch and Dalton (1992)**<sup>23</sup> studied the effect of a union-management cooperative effort to introduce a fact-finding program into the grievance procedure at a utility company. The union and management each assigned representatives to a fact-finding team to investigate newly filed grievances. This program was discontinued by the parties after 24 months. The program had several positive effects, including more frequent settlement of grievances at lower levels and more frequent compromise settlements. The win rates of the parties were not affected. One unexpected outcome, however, is that the grievance rate increased dramatically. The grievance rate had doubled by the second year of the fact-finding program, and this apparently led to the discontinuation of the program.

**Ponak and Olson (1992)**<sup>24</sup> reviewed studies of delay in arbitrated grievances. While most of these studies focus on the delay at arbitration, many do report delay times in the grievance procedure prior to arbitration. The studies reviewed were published over approximately 20 years, and indicate that average delay time is increasing, and that current delays from the time a grievance is filed until an arbitration decision is received average close to one year. This is often cited as a serious problem with grievance procedures, and the development of expedited grievance procedures is a response to this problem.

**Gordon and Fryxell (1993)**<sup>25</sup> note that several studies of grievance processing suggest that grievance settlement decisions may be based on criteria other than the merits of the grievance. Many of these could be interpreted as inappropriate criteria for deciding the outcome of a grievance. Although the results are mixed, studies have found that the gender of the grievant and/or the gender of the decision maker are related to grievance outcomes.

**Lewin and Boroff's (1994).**<sup>26</sup> In their study they analysed the employees who perceived that they experienced unfair treatment and filed a grievance and employees who perceived unfair treatment but did not file a grievance. They found that employees with higher loyalty to the employer were less likely to have filed a grievance.

**Lewin and Boroff (1994).**<sup>27</sup> In their analysis of individuals' probability of exercising voice and exit behaviors, they censored their sample to include only those employees who indicated that they perceived themselves to have experienced unfair treatment.

**Kleiner, Nickelsburg and Pilarski (1995)**<sup>28</sup> propose that management monitoring of employees will be positively related to grievance filing. Unfortunately, this is merely assumed as part of their model of the impact of grievances on productivity and this relationship is not empirically tested. They provide no theoretical rationale for why monitoring should produce more grievable events or increase the number of grievances. They do provide anecdotal evidence from discussions with managers at the plant that managerial monitoring did vary considerably during the time of their analysis, but they have no direct measure of monitoring. They do not provide a definition for monitoring, but refer to it as "managerial direction, guidance, and oversight", and note that monitoring "comes from the application of supervisory services to the production process, and is not just the mere presence of a supervisor".

Some empirical studies were also already being conducted by some Indian researchers to for exploring the grievance – handling practices in some organisations. The main objective of the survey was to know the grievance – handling practices followed by the organisations and the overall framework of industrial relations to which these practices are resorted to.

**South India Textile Research Association (1963).**<sup>29</sup> The Association conducted a study of 12 textile mills situated in Coimbatore, jointly sponsored by the South India Textile Research Association and the National Productivity Council has revealed that no systematic and formal grievance procedure existed in any of the sample mills. No systematic procedure is followed and there was no clarity about the types of grievances which each level would settle.

**S. Chandra (1968).**<sup>30</sup> S.Chandra conducted a survey in various industries identifying various causes of employees' grievances like promotion amenities, leave, nature of job, transfer and condition of work etc. It was a limited study relating to causes of grievances.

**Prof. Lallan Prasad (1973).**<sup>31</sup> He studied the grievance procedure in three plants namely, Rourkela, Bhilai and Durgapur. Industrial relations in these plants have been in a poor state from the very beginning. When the plant was under construction, non-payment of wages and maltreatment of labourers were common features, which led to a large number of strikes, lockouts and go-slows.

**Dr. Debi S. Saini (1994).**<sup>32</sup> For exploring the grievance practices, a survey was conducted in respect of some large-scale industries in and around Ahmedabad. The main objective of the survey was to know the grievance-handling practices followed by these organisations and the overall framework of industrial relations in which these practices are resorted to.

**Dr. M.S. Choudhary (1996).**<sup>33</sup> The grievance procedures and machinery of some organisations have been studied as a part of his research on Collective Bargaining. The study was mainly concerned with the procedure of Grievance Settlement. He also recommended that to have better and harmonious industrial relations, there must be effective machinery for the settlement of employees' grievances.

#### **National Commission on Labour, 1969**<sup>34</sup>

The National Commission on Labour, 1969 also recommended the Model Grievance Procedure suggested by the Code of Discipline, 1958. The Commission suggested that the grievance

procedure should be made applicable to those establishments, which employ more than 100 workers.

#### **1.4 NEED OF THE PRESENT STUDY**

No-doubt, the above-mentioned studies have made valuable contribution in the field of and to the literature of Employees Grievances, but the focus of these studies is limited to the usage and operation of grievance procedures and excludes the subsequent impact of grievances on organisational performance and the behaviour of individuals. Secondly, most research focuses on grievance arbitration, rather than the steps of the grievance procedure leading up to arbitration. This seems out of balance, since a very small portion of all grievances are resolved at arbitration. Most grievances are settled at earlier steps in the procedure.

Further, the grievance researches were largely descriptive and theoretical. Most of the early studies on grievance procedure were case studies of procedures in selected organisations, utilising an historical and institutional approach. There were virtually no attempts to develop theoretical frameworks to guide the research and very little quantitative data were collected and analysed.

Behavioural research grounded in social science theories was lacking. There was little consistency across studies in how dependent variables were measured or what independent variables were included in statistical models. Till date, a complete theory of the grievance process with testable indicators has not been developed. This is an area that warrants further research. That is where the present study will fill a void to a large extent. The present study is a comprehensive one covering all aspects of employee's grievances like concepts, causes, procedure, settlement and legal framework and will be based mainly on primary data. In the context of globalisation, increased connectivity and convergence of technology, the present study will be an educative addition to the current literature.

**The relevance and importance of the present study** is also in identifying the ways and means to foster healthy, productive, peaceful and purposive relations between management-employees with a view to secure their cooperation, loyalty and commitment. All this can only be achieved if the organisation has an effective grievance settlement machinery to discover and resolve the irritants of employees to make them more productive and motivated.

#### **1.5 OBJECTIVES OF THE STUDY**

The objective of the present study is to assess a wide spectrum of working of the machinery for handling grievances in selected industries in India. In Dunlop's phraseology the present investigation is a study of the conduct of 'the actors' in the industrial relations system in selected organisations. At the macro level the legislative framework and policy of the government will be analyzed to find out any gap between the two. More specifically but, the present study aims at:

1. To study and analyse the various issues of employees grievances in selected industries.
2. To study and analyse the various sources used to discover employees grievances in selected industries.
3. To study the legislative framework for the establishment of settlement machinery.
4. To know how the employees bring their grievances to the notice of the concerned official.
5. To study the different levels/ stages for the settlement of grievances in selected units.
6. To study the different approaches to employees grievances.
7. To analyse and assess the effectiveness of the grievance handling machinery in the sample organisations.

8. To evaluate the impact of employee grievances on (i) Productivity (ii) Absenteeism (iii) Discipline (iv) Industrial peace/harmony.

### 1.6 SCOPE OF THE STUDY

The present study covers 10 organisations / industries selected from three centers of Delhi, Haryana and Uttar Pradesh State. A list of these sample units is given in alphabetical order in table 1.1

**Table 1.1** List of Sample Companies

S.No.	Name of the Company (In alphabetical order)	State of Location (Head office/ Plant)	Place of Location (Head office/ Plant)	Category of Products
1.	Air India	Delhi	New Delhi	Service Sector
2.	Hindustan National Glass Industries Ltd.	Haryana	Bahadurgarh	Glass
3.	Hindustan Sanitary ware Industries Ltd.	Haryana	Bahadurgarh	Sanitaryware
4.	Indian Airlines Ltd.	Delhi	New Delhi	Service Sector
5.	Indian Oil Corporation Ltd.	Delhi	New Delhi	Oil
6.	Krishak Bharti Cooperative Ltd.	Uttar Pradesh	Noida	Fertilizer
7.	Mineral Metal Trading Corporation	Delhi	New Delhi	Minerals & Metals
8.	National Thermal Power Corporation	Uttar Pradesh	Noida	Power
9.	Parle Biscuits Pvt. Ltd.	Haryana	Bahadurgarh	Biscuits
10.	Steel Authority of India Ltd.	Delhi	New Delhi	Steel

While 10 listed organisations / industries at the first glance may seem to be inadequate sample, in reality as a piece of qualitative research where the emphasis is on obtaining insights rather than elaboration which makes it very exhaustive. Secondly, the criterion of selecting sample units to make the study wide in scope and representative of Indian industries history, units have been selected on the basis of their different locations, products, ownership, human relations scene, enlightened personnel policies, well laid down grievance procedures etc. as is evident from the important features of these units.

#### (a) Geographical Profile

The companies are selected from different centers of Delhi, Haryana and Uttar Pradesh. Some companies have plants only at one location, where as other have multiple locations at different places. The companies have unique locational differences and characteristics in processes and practices of employees grievances.

#### (b) Category / Production

The companies belong to different sectors of industries like consumer, glass, sanitary ware, power, minerals and metals, service sector, steel and fertilizers.

#### (c) Age

There are companies which have celebrated the golden and silver jubilees of their life, well established as Navratans of India while others are young struggling to create a niche on the industrial map of India.



**(d) Ownership**

Some companies belong to well known business houses, some are close knit family concerns, some are well known public sectors, cooperatives and some are well known for their outstanding contributions in the field of quality, export and their unique position in the respective fields. The ownership style has great impact on the philosophies and policies of employees' grievances, which are thoroughly analysed in the study.

**(e) Area of Operation**

Some companies have their area of operations at local / regional level where as others are giant organisations. One company has a prestigious listing in the world's 500 Fortune Companies, ranked 170 for the year 2005 based on fiscal performance. Some of them are Indian multinationals and are operating at International level.

**(f) Human Relations Policies**

The companies also differ in having varied human relations policies, philosophies, attitudes and strategies. Some companies have established healthy, harmonious, stable and dynamic industrial relations, while in others, employer-employee relations are full of strains. In some companies, the philosophy is that happy and satisfied employees are great assets, while others still treat employees as a source of production. In some companies there are only hundreds of employees who work, where as, in others there are thousands of employees. This aspect makes the study more interesting and relevant because both success and failure provide lessons.

Thus, the study covers 10 such companies which are unique in history, organisational culture, philosophies, texture, approaches and practices of employer-employee relations, products, ownership, dynamic and enlightened personnel policies, approaches and practices of settlement of employees' grievances which makes the study truly representative of Indian Industrial and Service Sector Scenario.

**1.7 RESEARCH METHODOLOGY**

A combination of different techniques and methods are used to study the complex and dynamic subject like employee's grievances which involves recording the perceptions of cross section of individuals and actions and reactions to particular situations on the one hand and organisational policies, philosophies, culture, strategies on the other which may vary from case to case and company to company. Consequently the following methods are used.

1. Hard data regarding various aspects of employees grievances are collected from Journals, Departmental files, Annual Reports, Employees Grievance Record, House Magazines, Personnel Manual, Minutes of the Grievance Committee Meetings, Standing orders and other official records are personally collected by the investigator. In case of doubt, clarification and explanations were obtained from the concerned officials, employees and workers by personal interview.
2. Set of different questionnaire was administered to 100 managers and 400 employees/workers to elicit the company's policies, perceptions, satisfaction or dissatisfactions regarding various aspects of employees grievances. The questionnaires for workers were also framed in Hindi to bring out natural and correct responses. The number of respondents from each company is shown in table 1.2. The questionnaires got filled up mostly individually, but sometimes in groups and also by post. The manager respondents are further classified according to the position held in the organisation as shown in table 1.3. 15 percent of the managers' respondents belong to high level category which includes Managing Director, General Managers, Chief Human Relations Managers. 35 percent belong to the middle level, which includes managers, and 50 percent are Dy. Managers and Asstt. Managers.

In case of employees / workers, efforts have been made to select respondents from different departments, age group, length of service on basis of convenience sample.

3. In addition to collecting primary data through structured questionnaire, in-depth personal interviews were arranged with respondents during filling up of questionnaire. Some respondents particularly those dealing with and directly participated as a member of Employee Grievance Settlement Committee were contacted a number of times for clarifications, explanations and verifications of various perceptions gathered through questionnaire. Mostly such interviews were held in personnel manager's offices, union offices, canteens, during lunch time, gate meetings and outside the factory premises in informal gatherings. The facility of common canteen and lunch was also used on various occasions to solicit informal and spontaneous responses.
4. Observation of the working and dynamics of employer-employee relations was another important method adopted. In some companies, the researcher was permitted to attend some of the official meetings of employees' grievances settlement committee. In addition to these, the researcher got several opportunities to observe the people and the workplace relationship in chance meetings while sitting in the personnel manager's offices. These observations provided interested data regarding the whole gamut of the dynamics of employees' grievances and to access the gap between perceptions and practice.
5. Convenient sampling method is used and data were analysed by calculating the percentages regarding the perceptions of respondents about the effectiveness of grievance settlement machinery in their organisation.

**Table 1.2:** Category Wise Respondents of Sample Companies

S.No.	Name of the Company (In alphabetical order)	Manager	Employees/ Workers
1.	Air India	15	30
2.	Hindustan National Glass Industries Ltd.	5	40
3.	Hindustan Sanitary ware Industries Ltd.	5	40
4.	Indian Airlines Ltd.	10	30
5.	Indian Oil Corporation Ltd.	10	40
6.	Krishak Bharti Cooperative Ltd.	15	50
7.	Mineral Metal Trading Corporation	10	40
8.	National Thermal Power Corporation	10	50
9.	Parle Biscuits Pvt. Ltd.	5	30
10.	Steel Authority of India Ltd.	15	50
<b>Total</b>		<b>100</b>	<b>400</b>

**Table 1.3:** Manager Respondents According to the Level of Position Held by Them

High Level		Middle Level		Front Line Level		Total	
No.	%	No.	%	No.	%	No.	%
15	15	35	35	50	50	100	100

### 1.8 LIMITATIONS OF THE STUDY

The limitations relates to the inadequacy of statistical data on the impact of employees grievances on discipline, absenteeism, productivity, employer-employee relations, quality of products. Hardly any company maintains such data to study the impact in statistical terms when an employee has a grievance and when it is resolved. The Private sector as usual is very shy in providing relevant documents and information. Some of the selected organisations are very huge, multi planned with thousands of employees. Individual researcher has her own limitations in terms of time and finance to contact adequate number of respondents. In some organisations,

data is collected from the Head Office without visiting far-off plants. But to supplement the available data, intensive use of the interview, questionnaire, discussion and observation has been made.

### 1.9 PLAN OF THE STUDY

The present study comprises of **eight chapters**:

1. **INTRODUCTION** – The first chapter introduces the subject and deals with the importance, objectives, scope, review of existing literature and research methodology used in the study.
2. **CONCEPTUAL FRAMEWORK OF GRIEVANCES** – This chapter is devoted to the conceptual construct – meaning, features and effects of grievances, sources used to discover employee grievances and typical grievances and their causes.
3. **THEORITICAL FRAMEWORK OF GRIEVANCES HANDLING PRACTICES AND PROCEDURE** – This chapter mainly deals with the grievance handling practices, approaches and steps used in grievance handling; need, essential pre-requisites and advantages of having grievance procedure in an organisation.
4. **LEGAL FRAMEWORK OF GRIEVANCE SETTLEMENT MACHINERY IN INDIA** – Under Industrial Employment (Standing Orders) Act 1946, Factories Act 1948, Industrial Disputes Act 1947, Code of Discipline, National Commission on Labour.
5. **PROFILE OF SELECTED ORGANISATIONS**
6. **EMPLOYEES GRIEVANCES SETTLEMENT PROCEDURE IN SELECTED ORGANISATIONS**
7. **GRIEVANCE HANDLING PRACTICES AND PROCEDURE – ANALYSIS AND INTERPRETATION OF DATA**
8. **CONCLUSIONS AND RECOMMENDATIONS**

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*Chapter - 2*

**Conceptual Framework of  
Grievances**

In an organisation where individuals and group work together to meet a common objective, differences of opinion might occur. Some time certain inconveniences may arise. These things lead to **complaints**. Complaints, which are not promptly attended to, leads to **dissatisfaction**. Dissatisfaction also occurs when certain expectations, real or perceived, are not met in the job. Dissatisfaction is the cause of **grievance**. Complaint can be against a supervisor, about a machine, against the working environment, against canteen, against workload, etc. Grievances produce unhappiness, frustration, discontentment, inefficiency and low productivity.

Workers of a trade union concerning their individual use the term “grievance” to designate claims or collective rights under an applicable collective agreement, individual contract of employment, law, regulations, work rules, custom or usage. Such claims involve questions relating to the interpretation or application of the rules. The term “grievance” is used in countries to designate this type of claim, while in some countries reference is made to disputes over “right” or “legal” disputes.<sup>1</sup>

An indication of what is usually meant by the term “grievance” is given in the **Examination of Grievances Recommendation** (No. 130), adopted in 1967 by the International Labour Conference, taking into account the variety of national practices. The Recommendation states:

“The grounds of grievance may be any measure or situation which concerns the relations between employer and worker or which affects or may affect the conditions of employment of one or several workers in the undertaking when that measure or situation appears contrary to provisions of an applicable collective agreement or of an individual contract of employment, to work rules, to laws or regulations or to the custom or usage of the occupation branch of economic activity or country.”

There is hardly a company where the employees do not have grievances of one kind or the other. These grievances may be real or imaginary, valid or invalid, genuine or false. A grievance leads to unhappiness, discontent, indifference, low morale, frustration, etc. Ultimately, it affects employees concentration, efficiency and productivity. A large number of work stoppages, shop floor incidents and strike could be attributed to the faulty handling of grievances. In the maintenance of peace in industrial units, a well-defined and adequate procedure for redressal of day-to-day grievances is an essential pre-requisite. ***Prompt and effective handling of grievances is the key to industrial peace.***

Grievance is a rust on human relations. The cost of a grievance can be high in terms of time lost, poor work, damage to costly machines by neglect, employee resentment, poor customer service, resistance to change, union management conflict and so on. The organisations that do not provide such complaint processing mechanisms for their employees may suffer from consequences, which could enfeeble the organisation process. Effective grievance administration helps the management to shift from purely preventive and maintenance needs to the developmental needs of employees such as improving communication, job-redesigning, integration with corporate goals, etc. Workers learn about industrial democracy from the grievance process, as they participate in shop decisions that affect their work life.

## **2.1 MEANING OF A GRIEVANCE**

It sounds like an easy question, yet there is often a basic misunderstanding of what exactly constitutes a grievance. Some (esp. management) believe that only a violation of a specific article or section of the contract can be the basis for a grievance. This is not true. In general terms, a **grievance is any unjust act, practice or condition that management has the power to correct.**

In the language of labour relations, and from management's angle, a ***grievance*** is simply a *complaint*, which has been formally presented in writing, to a management representative or to a union official. A grievance is a complaint by a staff member or employee about unfair treatment in relation to any aspect of their employment. Usually, this would not include complaints of misconduct, discrimination or harassment which have separate identified procedures.

Broadly speaking, a grievance is any *dissatisfaction that adversely affects productivity*. A grievance is a *sign of an employee's discontent with job and its nature*. The employee has got certain aspirations by the organisation, where he is working. When the organisation fails to satisfy the employee needs, he develops a feeling of discontent or dissatisfaction.

Grievance can be defined as any discontent or dissatisfaction, with any aspect of organisation. It can be *real or imaginary, legitimate or ridiculous, stated or invoiced, written or oral*. It must, however, find expression in some form or the other.

Discontent or dissatisfaction per se is not a grievance. It initially finds expression in the form of a complaint. When a complaint remains unattended and the employee concerned feels a sense of lack of justice and fairplay, the dissatisfaction grows and assumes the status of a grievance.

Usually grievances relate to problems of interpretation or perceived non-fulfillment of one's expectations from the organisation. Aggrieved employees usually manifest deviant behaviour.

The term '**grievance**' has been defined by different researchers in different ways.

According to **Mondy and Noe**, grievance can broadly be defined as "an employee's dissatisfaction or feeling of personal injustice relating to his or her employment."<sup>2</sup>

**Dale Yoder** defines grievance as "a written complaint filed by an employee and claiming unfair treatment."<sup>3</sup>

According to **Dale S. Beach**, a grievance is "any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of management."<sup>4</sup>

**Keith Davis** defines grievance as "any real or imagined feeling of personal injustice which an employee has about the employment relationship."<sup>5</sup> A grievance represents a situation in which an employee feels that something unfavourable to him has happened or is going to happen. In fact, in case of *real grievance*, the dissatisfaction of an employee can be genuine which may be due to supervisory behaviour or the fact that his/her terms and conditions of employment have been violated or ignored by the management. Since no one can stop an employee to imagine, he/she can feel or believe that there has been some deliberate neglect to him/her by the supervisor, or his/her interests and rights have been deliberately violated or ignored, which may not be true in reality. This state of affairs of an employee is called *imaginary grievance*.

According to **Flippo**, a grievance is "a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous and must grow out of something connected with company operations or policy. It must involve an interpretation or application of the provisions of the labour contract."<sup>6</sup>

One of the best definitions of grievance has been given by **Michael J. Juicus**. He says, the term grievance means "any discontent or dissatisfaction, whether expressed or not and 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."<sup>7</sup> This definition is very broad and covers all kinds of dissatisfaction, which an employee has while doing his job. A grievance means any discontentment or dissatisfaction arising out of anything related to the enterprise where he is working. It may not be expressed and even may not be valid. It arises



when an employee feels that something has happened or is going to happen which is unfair, unjust or inequitable.

It is clear from the above that grievance may be factual, imaginary or disguised (hidden). It is a discontentment whether expressed or not. Grievance may arise from imaginary conditions or from incorrect reasoning but it must cause a feeling of injustice. Grievance is a real or imaginary feeling arising out of a 'grief', which an employee may have in regard to his employment or working conditions. A grievance is the dissatisfaction of an employee in the organisation, which is based on his/her perception of the situation. ***In fact, a grievance is always an individual problem, but when cause of the grievance affects several employees of an organisation and the union takes up the problem, it becomes a dispute.***

Grievance can be conceived in several stages. Dissatisfaction may or may not be articulated. When it takes some shape and brought to the notice of some authority, then it is seen as a complaint. A complaint is a formal representation of a grievance. An individual grievance, if not settled under the grievance process, assumes the form of an industrial dispute and attracts the disputes settlement provisions. Basically, a grievance is a complaint of one or more workers covering such areas as wages, allowances, conditions of work, overtime, leave, transfer, promotion, seniority, job assignment, termination of service, etc. **The National Commission on Labour** states that "complaints affecting one or more individual worker in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment, and discharges would constitute grievances."

When an employee presents a problem, the grievance redressing authority, has to analyse the problem, find out the root cause of the problem rather than viewing it from legal aspects and solve it, based on humanitarian approach. This approach of grievance redressal is known as clinical approach to grievance handling. Hence, a ***grievance may be viewed as a complex psychological phenomenon, calling for human action or procedure rather than any legal action or procedure in its analysis and solution.***

**Some of the common grievances<sup>8</sup>** of employees-real or fancied-heard in industry are:

- (a) I am placed in grade IX. My present job involves more skill and responsibility compared to others placed in this grade. My repeated representations to place me in the next higher grade have not yet been considered.
- (b) My colleague and I joined service on the same day ten years ago. We draw the same salary, he has been allotted a company quarter, and I have been told to wait.
- (c) Ten of us work under a foreman. When overtime work comes up, he does not evenly distribute it among all of us. Instead, he gives it to three persons who are his favourites.
- (d) My colleague is a very difficult person. The foreman, therefore, does not tell him a thing when he neglects his maintenance work. On the contrary he requests me to do the left over portion of the work of my colleague. How long can I continue to work like this etc?

The instances given above shows that an employee feels dissatisfied and harbours a grievance when there is an infringement of his rights or interests. Mainly it arises out of the misinterpretation or misapplication of company policies, rules and practices.

Thus,

***Grievance:*** A grievance is a claim by an employee or a group of employees, by the association, or by the employer that there has been a violation, misapplication or misinterpretation of the terms of collective agreement.

**Employee Grievance:** An employee grievance is a claim by an employee, who is solely affected, that the terms and conditions of his agreement have been violated, misapplied or misinterpreted.

**Association Grievance:** It involves more than one employee or bargaining unit or association rights, or any dispute arising directly between the employer and the association concerning the interpretation, application or alleged violation of the collective agreement.

## CHARACTERISTICS OF GRIEVANCES

On the basis of explanation of grievances, there emerge the following characteristics:

### 1. The Discontent must arise out of something connected with the Company

Workers may be dissatisfied because of several reasons. For example, 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, daydreaming, absenteeism, tardiness, etc. It is not wise to recognise only expressed grievances and overlook the unexpressed ones. In fact, unexpressed or implied grievances are more dangerous than the expressed ones because it is not known when they may explode. Hence, the executives should develop a seventh sense for anticipating grievances. He should be sensitive to even the weak and 'implied' signals from the employee. An employee may casually remark that it is too hot in the room or that he has been assigned a job that he does not like. All such casual remarks and grumblings are grievances by implication. Only for a painstaking and observant supervisor it is possible to discover what is bothering employees before they themselves are aware of grievances. The personnel department can be helpful by training supervisors to become proficient in observing employees. The technique of attitude surveys and statistical interpretations of trends of turnover, complaints, transfers, suggestion, etc., are also helpful in this connection.

### 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 by the management in the same way as rational grievances. We should know that the large part of our behaviour is irrational. This may be largely due to our distorted perception. Emotional grievances which are based upon sentiments (like love, hatred, resentment, anger, envy, fear, etc.), misconceptions and lack of thinking are examples of our irrational behaviour. These grievances are the most difficult to handle.

### 4. Factual

The employer – employee relationship depends upon the job contract in any organisation. This contract indicates the norms defining the limits within which the employee expects the organisation to fulfill his aspirations, needs or expectations. When these legitimate needs of expectations or aspirations are not fulfilled, the employee will be dissatisfied with the job. Such dissatisfaction is called factual grievance. For instance, when an employee is not given promotion, which is due to him, or when working conditions are unsafe, grievances of employee relating to these issues are based on facts. In other words, these grievances reflect the drawbacks in the implementation of the organisational policies.

### **5. Imaginary**

When the job contact is not clear-cut and does not indicate the norms defining the limits within which the employee expects the organisation to fulfill his needs or aspiration, the employee develops such needs, which the organisation is not obliged to meet. Here, grievances are not based on facts. Even then, the employee feels aggrieved. Normally, the organisation does not feel any kind of responsibility for such grievances and their redressal, because they are based not only on wrong perceptions of the employee but also on wrong information. However, such grievances can have far-reaching consequences on the organisation because the employees are likely to develop an altogether negative attitude towards the organisation, which decreases their effectiveness and involvement in work.

### **6. Disguised**

In general, organisations consider the basic requirements of their employees. Psychological needs of employees such as need for recognition, affection, power, achievement etc., are normally unattended and ignored. For instance, an employee complaining very strongly about the working conditions in office may in turn be seeking some recognition and appreciation from his or her colleagues. Hence, disguised grievances should also be considered since they do have far-reaching consequences in case they are unattended and ignored.

*Our advantage of giving a widest possible meaning to the term “grievance” is that the possibility of the manager overlooking any complaints is very much reduced.* Even those discontents, which have not yet assumed great importance for the complainant and have therefore not moved into formal procedural channels – such as casual remarks or grumblings – technically called “complaints”, come within the purview of the grievance handling machinery of the organisation and are removed in the course.

## **2.2 CATEGORIES OF GRIEVANCES**

There are thousands of possible grievances, but they all should fall into one of the following general categories:

### **1. Violation of the Contract**

This is the clearest and most blatant type of the grievance. It includes such matters as seniority hour's work, staffing, wages, working conditions, holidays, vacations, and disciplinary action without just cause.

### **2. Violation of Written Precedent**

Written precedent is as enforceable as contract language. Examples include company rules, procedures, or written interpretations of the contract from prior grievances or arbitrations.

### **3. Violation of Past Practice**

Even when the contract says nothing, and you have no written precedent, there can be a grievance based on established “past practices”. A practice that has been in place for an extended period of time and is accepted by both parties either explicitly (orally or in writing) or implicitly (neither side has ever objected) may be the basis for a grievance if it is violated.

### **4. Violation of Fair Treatment**

There doesn't have to be a contract clause covering supervisor's assaults or abuse of employees to make it possible to have this kind of violation. Discrimination and worker's right covers a broad number of incidents or practices. Management cannot discriminate on the basis of race, sex, age, nationality, religion, sexual preference or union activity.

### **5. Violation of the Law**

Laws written to protect workers are implicitly part of the contract, and violation of municipal state or federal laws can constitute a grievance.

## **6. Violation of Management's Rules or Responsibilities**

Management has the responsibility to provide safe and healthy working conditions. Likewise management has a right to certain policies under the contract. If management fails to fulfill its responsibilities or violates its own policies, it may be necessary to file a grievance.

Even if none of the above apply, if there is a bona fide unfair practice or action by management, a grievance should be filed and should demand representation and a hearing.

### **2.3 TYPES OF GRIEVANCES**

#### **A. INDIVIDUAL AND COLLECTIVE (GROUP) GRIEVANCE**

The International Labour Organisation (ILO) defines a grievance as a complaint of one or more workers with respect to wages and allowances, conditions of work and interpretation of service conditions covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service.

It is important to make a distinction between individual grievances and group grievances. If the issue involved is related 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, trade unions should have less or no role, while in grievance of collective nature and wider ramification, trade unions needs to be involved.

For the purpose of the study, 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.

#### **B. FORMAL (WRITTEN) AND INFORMAL (ORAL) GRIEVANCE**

A dissatisfied employee may also put the causes of dissatisfaction in writing and present it before appropriate authority. When he/she does so, the grievance takes the formal (written) form. On the other hand, unless the dissatisfaction is put in writing and so long the employees goes on talking about the causes of dissatisfaction to others, it is called informal (oral) grievance. Thus, as Jucius has rightly observed, a grievance is a complaint expressed in writing or orally on a company related matter.

#### **C. LEGITIMATE AND ILLEGITIMATE GRIEVANCE**

In case of legitimate grievance, the employee's contractual rights with respect to terms and conditions of employment or spirit of collective bargaining are violated. On the other hand, the dissatisfaction of an employee over supervisory behaviour, peer's negligence or any other perceptual matter can cause grievance, but it remains illegitimate.

### **2.4 EXPRESSION OF GRIEVANCE IS IMPORTANT**

- Where people work in groups, there are inevitable grievances off and on. There is nothing to get alarmed, if people/aggrrieved express their grievances. Rather, it is a matter of concern, if they do not express blocked individuals grievances, which lead to industrial conflict.
- If grievance level in an organisation is too low, this could mean either one of the two things:
  - (i) The level of frustration may have created relationship of apathy among employees and supervisors, or
  - (ii) The need of employees toward search for satisfaction has gone too low.

Both are harmful for the organisation.

## 2.5 SOME COMMON DIFFERENCES

### A. GRIEVANCES AND DISPUTES

**Industrial dispute** is basically a collective concept, which affects the workers concerned as a class. An industrial dispute **usually concerns a sufficiently large group of workers**, and may be espoused either by a trade union or a substantial number of persons. Even the individual termination of one worker can be perceived as affecting workers collectively. The rationale of collective espousal of industrial disputes is to ensure that only those issues are taken up collectively which the collectivity of employees consider worth contesting. Also, collective issues affect industrial peace in a more important way.

After the induction of Section 2-A in the Industrial Disputes Act 1947, the concept of industrial dispute has been diluted to include cases of dismissal, discharge, retrenchment, or otherwise termination of individual workmen as well. These cases of termination cannot be espoused before the official industrial dispute resolution machinery by the individual worker himself. From the foregoing it is seen that, termination cases clearly fall in the category of grievances, but by the legal fiction of Section 2-A of the IDA these cases become industrial disputes. Likewise, a promotion grievance of an individual workman can be espoused as an industrial dispute by a union or by a substantial number of persons. In such cases also a grievance becomes an industrial dispute. Therefore, when a grievance is transformed into a general claim, it comes in the domain of collective bargaining, and ceases to be grist for the grievance-procedure mill.

It becomes somewhat difficult, therefore, to *distinguish between a grievance and an individual dispute*.

- (a) Primarily, a grievance is an individual concept, a dispute over rights arising from the terms of the agreement or an award or a legal provision or from the working conditions. When a grievance is collective, usually it is referred to as an industrial dispute, no matter to what issues it relates.
- (b) A grievance usually relates to one or some individuals and an industrial dispute primarily relates to interest matters of the workers collective or is at least deemed to be so.
- (c) A grievance is usually justifiable but an industrial dispute may not be justifiable.

Grievances are generally related to matters concerning work-related issues, claims of payments, and personnel matters like promotion, increments, seniority, suppression and matters arising from application of standing orders. Generally, they do not emanate from general matters in the long-term settlements. And a strike action or other interruption is usually not resorted to for settling grievances. It is noticeable that even at the international level the concept of grievances is of individual nature and it particularly pertains to right matters. The National Commission on Labour 1969 (NCL) referred to question of “wage payments, overtime, leave, transfer, promotion, seniority, work assignment and surcharges” as grievances.

### B. GRIEVANCE AND LABOUR CLAIMS

In industrial relations parlance, a claim may be distinguished from a grievance. While a grievance may arise from the non-fulfillment of worker's right such as seniority, promotion, bad working condition, victimisation etc., a claim for money arises from the non-payment of dues under any statutory provisions. Hence, to settle a claim a worker need not espouse an industrial dispute nor he may activate the grievance redressal mechanism. He can take up the matter with the authorities provided under the concerned statute.<sup>9</sup> Technically, however, even cases of claims fall in the category of grievances. Often, cases of delayed payment of wages, overtime, compensation, etc. are raised as grievances even as there are legal procedures to process them.

## C. COMPLAINT AND GRIEVANCE

Differences, tensions and conflicts are inevitable in the modern workplace. How they are managed is the benchmark of productive workplaces. In the world of business, several executives distinguish between an employee complaint and a grievance.

Complaint is an informal or formal objection to treatment or a work situation. For example, if an employee is upset with work situation or the professionalism in office, feeling that he is being treated unfairly. According to *Pigors and Myers*, “a complaint is a spoken or written dissatisfaction, brought to the attention of the supervisor and the shop steward.”<sup>10</sup> While differentiating complaints from grievances, *Flippo* defines a complaint as “a discontent or dissatisfaction, which has not, as yet, assumed great significance to the individual. It takes the form of a grievance when the individual feel that an injustice has been caused to him.”<sup>11</sup> Thus, whatever may be the types of grievances, they are neither in the interest of an employee nor in the interest of an organisation. Therefore, an early effort has to be made to find out their causes to manage then effectively.

### 2.6 NATURE OF GRIEVANCES

Technically speaking, grievances may be collective or individual; grievances usually arise when the employees in their working lives feel aggrieved about some managerial decisions, practices, policies or service conditions. Employees are often heard complaining that work environment is not conducive to exigencies work; promotional avenues are not available, etc. If employee’s dissatisfaction is not attended properly, it may lead to uncooperative attitude of employees and will also affect organisational health.

In case the grievances are collective like the lack of a promotion policy, it is a situation of an industrial dispute, but if a grievance relates to one or some workmen, like denial of promotion of a workman or his transfer, then it is a case of grievance. In fact, the word “grievance” now connotes individual grievances only, though it is not wrong to use the words “collective grievances.”

A grievance may be submitted by a worker, or several workers, in respect of any measure or situation, which directly affects, or is likely to affect, the conditions of employment of one or several workers in the organisation. Where a grievance is transformed into a general claim - either by a union or by a large number of workers – it falls outside the grievance procedure and normally comes under the purview of collective bargaining.

Ideally, individual grievances should be allowed to be processed through a grievance procedure. Thus, only individual grievances are in real terms the grievances, which arise from matters that may be:

1. **Technical**, i.e. incidental to the work at the shop floor; and
2. **General**, i.e. in respect of service conditions, wage payments, welfare facilities etc.

From a study conducted by Chandra,<sup>12</sup> the common causes of employee grievances relate to the following:

1. Promotions
2. Amenities
3. Continuity of service
4. Compensation
5. Disciplinary action
6. Fines

7. Increments
8. Leave
9. Medical benefits
10. Nature of job
11. Payment
12. Acting promotion
13. Recovery of dues
14. Safety appliances
15. Superannuation
16. Supersession
17. Transfer
18. Victimisation
19. Conditions of work.

**The International Labour Organisation (ILO)** classifies a grievance as a complaint of one or more workers with respect to wages and allowances, conditions of work and interpretations of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service. **The National Commission of Labour (NCL)** states, “complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment, and discharges would constitute grievances.”<sup>13</sup> A point to be noted is that where the issue is of a wider or general nature, or of general applicability, then it will be outside the purview of the grievance machinery. **Chandra** found that policy issues relating to hours of work, incentives, wage, dearness allowance and bonus are beyond the scope of the grievance procedure – they fall under the purview of collective bargaining.

A grievance has a narrower perspective; it is concerned with the interpretation of a contract or award as applied to an individual or a few employees.

There is a 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 inter-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.*

## 2.7 EFFECTS OF GREIVANCES

Grievances, if they are not identified and redressed, may affect adversely the workers, managers and the organisation. The adverse effects include:

### (1) ON PRODUCTION

- (a) Low quality of production.
- (b) Low quality of productivity.
- (c) Increase in the wastage of material, spoilage/ leakage of machinery.
- (d) Increase in the cost of production per unit.

**(2) ON THE EMPLOYEES**

- (a) Increases the rate of absenteeism and turnover.
- (b) Reduces the level of commitment, sincerity and punctuality.
- (c) Increase the incidence of accidents.
- (d) Reduces the level of employee morale.

**(3) ON THE MANAGERS**

- (a) Strains the superior – subordinate relations.
- (b) Increases the degree of supervision, control and follow up.
- (c) Increases in indiscipline cases.
- (d) Increase in unrest and thereby machinery to maintain industrial peace.

**2.8 INDICES OF GRIEVANCES AND GRIEVANCE RATE**

There are certain, expressed and unexpressed both, indices of grievances diagnosing the state of organisation's health, like decline in production/output (other things being equal), change in an individuals work habits, approach to the job, absenteeism rates, increased labour turnover, accident data, requests for transfer, number of disciplinary cases, increased suggestions, carelessness in the use of tools and materials etc.

It is not wise to recognise only the expressed grievances and overlook the unexpressed ones. In fact, unexpressed or implied grievances are more dangerous than the expressed ones because it is not known when they may explode.

A *grievance rate* is usually stated in terms of number of written grievances presented per 100 employees in one year. A typical grievance rate is 10% to 20% and any rate above or below that range might indicate a labour relations situation meriting further investigation. Method of handling grievances will affect the rate of grievance. Other factors affecting grievances rate are job conditions, rules of government, general social conditions and the home environment. Grievances should be carefully studied by the management to determine the real causes of this breakdown of the human machine. This would keep the grievance rate low.

**2.9 SYMPTOMS OF GRIEVANCES**

Frequently, an employee does not express his/her dissatisfaction before anyone in any form but discontent exists. It may be because of his/her personality characteristics, childhood experiences, position in the family and socioeconomic and cultural background. Moreover, some employees are reluctant to complain to avoid further tension, believe that dissatisfaction is temporary and it will vanish, do not like to be called "*chronic complainer*" or have greater tolerance. This type of discontent among employees is very dangerous because it is not known when they may erupt. Therefore, this type of *implicit grievances* has very negligible observable symptoms, unless close supervisory observations are made or frequent attitudinal surveys are conducted by the organisation. However, there are some distinguished symptoms, which can be observed and understood from the behaviour and actions of the individual. These symptoms include absenteeism, alcoholism, accident, late coming, lack of cooperation and withdrawal attitude of an employee in the place of work than his/her previous behaviour. Other visible symptoms could be silently bad tempered behaviour and appearance, moodiness, worry and tension, insubordination, frequent request for transfer, increase in wastages and decline in productivity of the worker. A grievant also faces recurring health problems, makes self-criticism, develops negativism and in extreme cases tries to destroy valuable property of the organisation. If adequate and appropriate attention is not given to the grievant, in extreme cases, he/she may submit the resignation to the organisation.



Thus, the symptoms of grievances are either to be noticed and observed by the supervisors or a formal mechanism like employee attitude survey and suggestion box facilities called '*Gripe Boxes*' should be made available in the organisation to assess the state of mind of the employees with respect to various factors which could cause employee grievances.

## 2.10 SOURCES OF GRIEVANCES

A grievance represents a situation in which an employee feels that something unfavourable to him has happened or is going to happen. In an industrial enterprise, grievances may arise because of the following reasons:

- (1) **Employment terms.** Such terms and conditions in labour agreements, which are too general, contradictory, or ambiguous, may give rise to many grievances later on.
- (2) **Working conditions.** A large number of workers' grievances are about the bad and unhealthy or unhygienic working conditions prevailing in the company, such as frequent breakdowns of power, defective equipment and layout, lack of safety measures, absence of airy and well-lighted rooms to work, and so on.
- (3) **Unsatisfactory compensation.** Many grievances grow from lower wages, salaries and fewer allowances, lack of benefits and services, and absence of other indirect compensations.
- (4) **Difference of opinion.** An important reason of grievances is the difference of opinion on any particular point or issue between workers and the management, between workers and workers, or between managers and managers. Different interpretations of legal provisions, attitudes of workers and managers, their varied cultural backgrounds, their different personal goals, etc. lead to difference in opinions.
- (5) **Ineffective supervisors.** Sometimes, ineffective supervisors also prove to be a source of many grievances. They fail to properly abide by and administer the labour contract. All times, they are not able to give proper and adequate counselling to workers and help them solve their problems. They are also not able to clearly explain management policies and practices to the workers. Their failures results in increasing the number of grievances in the company.
- (6) **Lack of participation in management.** Lack of opportunity for participation of workers in decision making in the firm results in greater number of grievances. If workers participate in decision making processes, they desist from complaining against many things which were decided with their participation.
- (7) **Attitude of management.** Many grievances arise due to conservative attitudes of managers and supervisors. The partial attitude of the managers toward workers may create an atmosphere of fear doubts, and dissatisfaction in the mind of workers.
- (8) **Political behaviour.** Many grievances arise due to set political thinking and pure political considerations of managers and workers.

Thus, the sources of grievances may be grouped under three heads, viz. (i) management policies (ii) working conditions (iii) personal factors.

### (i) Grievances resulting from Management Policies

- (a) Wage rates or scale of pay
- (b) Overtime
- (c) Leave
- (d) Transfer-improper matching of the worker with the job

- (e) Seniority, promotion, and discharges
- (f) Lack of career planning and employee development plan
- (g) Lack of role clarity
- (h) Lack of regard for collective agreement
- (i) Hostility towards a labour union
- (j) Autocratic leadership style of supervisors
- (ii) Grievances resulting from Working Conditions**
- (a) Unrealistic
- (b) Non-availability of proper tools, machines and equipment for doing the job
- (c) Tight production standards
- (d) Bad physical conditions of workplace
- (e) Poor relationship with the supervisor
- (f) Negative approach to discipline
- (iii) Grievances resulting from Personal Factors**
- (a) Narrow attitude
- (b) Over-ambition
- (c) Egoistic personality

## **2.11 DISCOVERY OF EMPLOYEES GRIEVANCES**

Knowledge about grievances is important in handling them. Upward channels of communication provide the dependable sources for discovery of grievances. Grievances can be uncovered in a number of ways. Gossip and grapevine offer vital clues about employee grievances. It is always preferable to have knowledge based on observation and through direct communication from the employee concerned. The methods, which could be undertaken to uncover the mystery surrounding grievances, are discussed below:

### **(1) DIRECT OBSERVATION**

A manager/ supervisor can usually track the behaviour of people working under him. If a particular employee is not getting along with people, spoiling materials due to carelessness or recklessness, showing indifference to commands, reporting late for work or is remaining absent - the signals are fairly obvious. A careful analysis of grievance rate, accident rate, requests for transfer, indiscipline, etc., may reveal general patterns that are not easily discernible in the instance. Since the supervisor is close to the scene of action, he can always find out such unusual behaviour and report promptly.

### **(2) GRIEVANCE PROCEDURE**

A systematic grievance procedure is the best means to highlight employee discontent and dissatisfaction at various levels. A grievance procedure provides an avenue and an opportunity to give vent to employee's grievances. The dilemma most managers' face is whether and how far they should encourage or discourage grievances. Management, to this end, must encourage employees to use it whenever they have anything to say. In the absence of such a procedure, grievances pile up and burst up in violent forms at a future date. By that time things might have taken an ugly shape altogether, impairing cordial relations between labour and management and management find it beyond their capacity to deal with them adequately. If management fails to

induce employees to express their grievances, unions will take over and emerge as powerful bargaining representatives. Thus, it is important to have a grievance procedure to process grievances.

### (3) GRIPE BOXES

The gripe box is a facility to file anonymous complaints about the various causes of discontent and dissatisfaction in the organisation. A gripe box may be kept at prominent locations in the factory for lodging anonymous complaints pertaining to any aspect relating to work. It is different from the suggestion scheme that may be in vogue in a company. In this case anonymity is assured and there is no reward or punishment. Since the complainant need not reveal his identity, he can express his feelings of injustice or discontent frankly and without any 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. This is a kind of walk-in meeting with the manager when the employee can express his feelings openly about any work related grievance. The manager can cross – check the details of the complaint through various means at his disposal. Organisations would do well, if they have a grievance procedure. If a grievance procedure exists, open-door policy becomes redundant. At first glance, this policy may appear very attractive *but it has the following limitations:*

- a. This policy is workable only in very small organisations. In big organisations where management by exception is practiced, the top management does not have the time to attend to innumerable routine grievances daily, which is the work of lower-level managers.
- b. Under this policy the frontline supervisor who should be the first man to know about the grievances of his subordinates is bypassed. This provokes him in two ways: first he thinks the man who skipped him is disrespectful. Secondly, he fears that he will incur his superior's displeasure because this will be interpreted by the superior as his failure to handle his subordinates.
- c. By following an "open-door" policy the top management cannot have adequate clues to assess a superior's skill in handling grievances. The top management does not know what action, if any; the supervisor would have taken to resolve a grievance.
- d. 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. There may be several levels of management between the operative employee and the top President of a company. Theoretically, each level affords an equal opportunity for distortion, fading and delay of certain facts on which a complaint may be based.
- e. Though the door of the executive's office remains physically open, psychological and social barriers prevent employees from actually entering it. Some employees hesitate to be singled out as having a grievance. Others are afraid they will incur their supervisor's disfavour.
- f. Sometimes an open-door policy is used to hide the top management's own hesitation to make contact with the operatives and the open-door is often a slogan to conceal closed minds.

The way the open-door can be most effective is for a manager to walk through it and get out among his people. The open door is for managers to walk through, not employees. The true test of such a policy is whether the top man behind the door has an open-door attitude and his employees psychologically free to enter.

### **(5) EXIT INTERVIEW**

Employees usually quit their current jobs/organisations due to dissatisfaction or better prospects outside. It requires certain skills to get to know the real reasons for leaving the job. If the manager tries sincerely through an exit interview, he might be able to find out the real reasons why 'X' is leaving the organisation. To elicit valuable information, the manager must encourage the employee to give a correct picture so as to rectify the mistakes promptly. The employee may also be given a questionnaire to fill up and post the same after getting all his dues cleared from the organisation where he is currently employed. 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, collective bargaining sessions, and opinion surveys are some of the other channels which may be conducted periodically to elicit the opinions of employees about the organisation and its policies and to 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. It is better to use as many channels as possible, if the intention is to uncover the truth behind the curtain. For example, the type of information one can get through a grievance procedure would be perceptibly different from the one can get from a gripe box or an exit interview.

## **2.12 INVESTIGATING GRIEVANCES**

### **Get the facts: Remember the 5W'S and 1H**

**WHO**...is involved? Name(s) of the grievant(s), department, shift, job classification, seniority, etc. Are they on probation? Have they been disciplined before? Has a similar grievance been filed on this same issue? Who is the supervisor? Who are the witnesses?

**WHEN**...did the incident or the condition occur? Give dates and times as accurately as possible.

**WHERE**...did the grievance take place? Give the exact location, department, area etc.

**WHAT**...is this a grievant's story? Management's position? The reports of the witnesses? Are there any records that might help support your case? Collect all the facts you can, always looking for the hard facts, but accepting and weighing "less convincing evidence" and different versions.

**WHY**...is this a grievance? Has the contract been violated? What about violations of the past practice, the law, or health and safety rules. Is the issue one of unjust action or application of company rules, contract interpretation, etc.

**HOW**...should the grievance be settled? What adjustments are necessary to correct the injustice? You want to return the aggrieved worker to the same condition he/she would have been in, had the violation not occurred.

## **2.13 CAUSES OF GRIEVANCES**

Overt manifestation of a grievance by an employee taking recourse to the formal procedure may not in all cases solve the real problem. It is true that in many cases grievance could be taken care of through the grievance process, but there are instances and occasions when a much deeper analysis of the systems, procedures, practices and personalities in the organisation need to be examined for the possible causal relationship between them and the grievance. It is well known

that the formally stated grievance is not always the real grievance. There may be a hidden reason, such as a problem supervisor, for instance, or an individual may have difficulty in relating to a work group with a totally different value system.

The factors contributing to the grievance should be properly studied and analysed to ensure that in fact the expressed grievance represents the problem stated and not any other problem. The factors commonly found to contribute to employee grievances are: management practices, union practices and personality traits.<sup>14</sup>

### 1. MANAGEMENT PRACTICES

The style of management followed, be it autocratic at one end of the scale or totally participative at the other, would need to be related to the socio-cultural orientation of the workforce. *For instance*, the workforce may be composed of highly educated people who may dislike an autocratic style. In the present day context, the participative style is more favoured. Thus, styles and practices would need to be adapted to the particular situational context.

Many researchers have pointed out the social distance between management and workers, their class and cultural orientations being widely different. The manager's attitude to the average worker, as someone who is on a much lower social scale, is based upon this. The usual Indian pattern is one of deference from the worker to the manager. In such a case, the grievance machinery would not work in the manner it is intended to, as worker grievances would not be forthcoming.

Much also depends on the implementation of personnel policies - if the implementation falls short of the intended policy then the resultant gap could give rise to grievances. Related to this is ambiguities in personnel policies, which may lead to grievances. It is often found that there are several instances when personnel matters are not clearly defined or clarified with the result that decision taken thereon result in grievances. Matters such as *employee compensation, seniority, overtime and assignment of personnel to shifts* are illustrations of ambiguities leading to grievances. Such *ambiguity may be due to a lack of policy, or faulty implementation*, thus creating distortions, which may not be justifiable.

*Poor communication* between management and its employees is another cause of grievance. Often it turns out that what appears to be trivial and inconsequential to the management is important to workers. If workers, or other groups of employees, are informed about proposed actions, such as new plant location, lay-off and merger, of far-reaching decisions or about the introduction of new schemes or new ways of working, the employees will understand the consequences of such action better and, therefore, the number of grievances due to the lack of awareness may well be reduced. Lack of awareness creates uncertainty, causes tension and suspicion in the minds of workers consequentially breeding grievances.

*Supervisory practices* are a major source of grievances. Much depends on the supervisor's attitude and behaviour towards the workers. Supervisory styles which result in inconsistency in the application of personnel policies, partiality in applying rules and decisions, and laxity in condoning unions or employees to bypass him on issues, it is his contracted responsibility to deal with, e.g. regarding job standards, grievance processes, etc. all these could build up pressures on individuals and could result in grievances if not an explosive industrial relations situation.

### 2. UNION PRACTICES

In firms where there are multiplicities of unions, many of whom may have political affiliation; there is constant jostling and lobbying for numerical strength and support. Where unions are not formed on the basis of specialised crafts but are general unions, the pressure to survive is great and, hence, there is a need to gain the support of workers. Under such circumstances the grievance machinery

could be an important vehicle for them to show their undeniable concern for workers' welfare. The fact that a union can provide a voice for their grievances is a vital factor in motivating employees to join a union. Realising that members expect action and only active unions can generate membership; unions sometimes are inclined to encourage the filing of grievances in order to demonstrate the advantage of union membership. It makes the union popular by proving that it is a force to be reckoned with and headed by the management.

There are also situations when unions, because they are unsure of their strength vis-à-vis both management and workers, may want to encourage the filing of several grievances in order to assert their presence. This is especially so just before contract negotiations are to take place and the various unions are lobbying to represent the workers.

### 3. INDIVIDUAL PERSONALITY TRAITS

An individual's personality also has a bearing on the usage of the grievance machinery. Some are basically predisposed to grumble and find fault with every little matter, seeing and looking out only for faults. Sometimes mental tension, caused perhaps by ill health, also contributes to this, in the sense that a tense mind finds an outlet in voicing a spate of grievances. On the other hand, there are employees who are willing to overlook minor issues and discomforts and get on with the job.

Notwithstanding personality traits, the atmosphere or the culture that prevails could also contribute to this phenomenon. An antagonistic atmosphere could result in even a trivial matter being blown out of proportion, which in more cooperative times would not even have been noticed.

#### 2.14 TYPICAL GRIEVANCES AND THEIR CAUSES

Often, grievances appear to be simple interpersonal or interpretational problems. Though it is true in most cases, many a time grievances are a manifestation of a deeper systemic or cultural malaise in an organisation. In such cases, resort to the formal grievance procedure may not provide solution to the real problem. Therefore, in order to locate the casual roots of grievances we may have to make an analysis of systems, procedures, policies, practices etc. This will help us to identify the actual reasons for the occurrences of grievances. A manager with a professional approach would always like to make a systematic analysis of the factors that cause grievances.

Analysis of grievances reveals that they normally fall into certain patterns. The U.S. Department of Labour has listed the typical grievances found to occur most frequently among employees, together with the common causes of each.<sup>15</sup> Working culture, industrial climate and per capita income of Indian workers are much different from that of USA. Hence, these findings may not be fully applicable to India. Following are the broad classification of grievances and their causes identified by the US study, which in many respects, are also applicable to India as shown in Table 2.1

**Table 2.1:** Typical Grievances and their Causes

TYPE OF GRIEVANCE	COMMON CAUSES
<b>A. Wages</b>	
1. Demand for individual wages adjustment.	He is not getting what he is worth. He gets less than others doing work requiring the same degree of skills.
2. Complaints about job classification.	His job is worth more than it pays and should be reclassified.
3. Complaints about incentive systems.	The method of figuring his pay is so complicated that he does not know what his rate really is.

	His piece rates are too low. His piece rates are cut when his production increases
4. Miscellaneous	Mistakes are made in calculating pay. Methods of paying off are not considerate.
<b>B. Supervision</b>	
1. Complaints against discipline.	Foreman dislikes him and picks on him. Company has it in for him because he is active in union. His mistakes are due to inadequate instruction.
2. Objection to a particular foreman.	Foreman is playing favorites. Foreman is trying to undermine union. Foreman ignores complaints.
3. Objection to general method of supervision/	There are too many rules and regulations. Rules and regulations are not clearly posted. Supervisors and/or time-study men do too much snooping.
<b>C. Seniority, Discharge, etc.</b>	
1. Loss of seniority.	He has been unfairly deprived of seniority.
2. Calculation of seniority.	He has not received all the seniority due to him.
3. Interpretation of seniority.	Clause in contract has been unfairly interpreted by company (clause often vague).
4. Disciplinary discharge or layoff.	He has been penalised unfairly or too severely. Company wanted to get rid of him anyway for union activity or other reasons.
5. Promotions	Seniority clause has been violated. Company will not promote him because of union activity. He does not have a chance to advance himself.
6. Transfers to other departments or shifts.	He has had more than his share of dirty work or graveyard shifts.
<b>D. General Working Conditions</b>	
1. Safety and health.	Toilet facilities are inadequate. Dampness, noise, fumes and other unsafe conditions could be corrected. He does not have enough time for personal needs.
2. Miscellaneous	He has to lose too much time waiting for materials. Overtime is unnecessary. He is being unfairly denied an employment release (certificate of availability). Lunchroom facilities are inadequate.
<b>E. Collective Bargaining</b>	
1. Violations of contract.	Company is stalling or putting obstacles in the way of grievance settlements.
2. Interpretation of contract.	Company will not give supervisors authority to grant any concessions.

3. Settlement of grievances	Company has disregarded precedents and agreed upon interpretation. Company fails to discipline supervisors where disciplinary action is necessary and has been promised.
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This catalog of grievances and their causes represents an extremely useful guide for organisations interested in a sound program to combat problems in this area. Awareness of the causes makes it relatively simple to take steps to eliminate them. **For example**, noting the causes for grievances in the area of supervision, the company can provide a program of supervisory training embracing the causes of supervision grievances and indicating how to avoid them. The same is in order for all the causes; sound planning, for effective training can do a good deal to reduce antagonisms.

In a survey conducted in India, as reported by Rudrabasvaraj, analysis of causes of grievances are ranked in the following order:

Problems related to housing and accommodation	=	23%
Problems on medical treatment and ESI coverage	=	21%
Problems on leave	=	8%
Problems of financial nature	=	7%
Problems on transfer	=	1%

All causes of grievances are to be analysed in depth to find out the root cause. Basically causes can be identified under the following **three dimensions**:

- Organisational aspects.
- Informational aspects.
- Human aspects.

Organisational aspects consist of organisation structure, policy plans and procedure. Informational aspects consist of ignorance on company rules, regulations, promotion policies, career prospects, transferability etc. Human aspects cover a variety of reasons like poor mental health and alienation.

**Rensis Likert** suggested three-part diagnostic analysis in which the reasons are to be analysed under the following **three levels**:

- Output reasons.
- Intervening reasons.
- Causative reasons.

All causes of grievance are to be analysed and the root causes are also to be analysed. Identification of root causes (causative factors) alone can suggest long standing remedial steps. *For example*, suppose an employee is absent for a day, and supervisor may ask an explanation either in oral or written form. The person may give apparently a convincing reason like he was sick. He may even produce a medical certificate from a medical practitioner. In another occasion, the same man may be involved in quarrelling with his colleague. He will have a very good reason to explain his behaviour, which may be convincing or not. Reasons advanced by him are '**output reasons**'. In either case if supervisor take action against them based on the reasons mentioned by the workers, such action may not, in the long run, become a remedial step to correct his erratic behaviour. On the contrary such corrective actions like fine, reprimand etc. might aggregate the situation and chances are that the



worker might become more aggrieved and alienated. A good supervisor, on the other hand would like to go behind the “reasons” advanced by the worker and study his behaviour pattern and company he keeps outside his working hours. Quite possibly, he might be influenced by the company he maintains. They might often meet on cards game or drinking sessions or gossiping long hours or staying awake in the night might be the real reason for the absence the next day, for which he might have fainted sickness. Adverse influence of bad companions is the *‘intervening reason’*. Hence solution of his problem does not lie in fine or reprimand, but isolating him from bad companions. Too many workers attending to intervening reasons provide permanent solutions. There are some others, where the causes/reasons go even beyond ‘intervening reasons’. *In the given example*, suppose an attempt is made to isolate him from the bad company and yet he has not shown improvement in behaviour, this matter must be further investigated. He may be suffering from poor mental health, in which case, he himself is responsible for the bad influence on his friends, rather than his friends influencing him adversely. This is the *‘causative reason’*. Counseling in such cases is a better course of action instead of fine or reprimand or even isolating from his “bad companions”.

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*Chapter - 3*

**Theoretical Framework of Grievances  
Handling Practices and Procedure**

### 3.1 GRIEVANCE HANDLING PRACTICES

Grievances are some symptoms of conflicts in enterprise. So they should be handled very promptly and efficiently. Coping with grievances forms an important part of manager's job. The manner in which he deals with grievances determines his efficiency in dealing with the subordinates. A manager is successful if he is able to build a team of satisfied workers by removing their grievances. *While dealing with grievances of subordinates it is necessary to keep in mind the following points:*<sup>1</sup>

- (a) A grievance may or may not be real.
- (b) Grievances may arise out of not one cause, but multifarious causes.
- (c) Every individual does not give expression to his grievances.

For the purpose of handling grievance efficiently, it is necessary to find and analyse the grievance of the subordinates. If a grievance is found to be genuine or real, the corrective action should be taken immediately. But if the grievance arises due to imagination or disturbed frame of mind of the worker, then it is necessary to explain and clear up the matter. Before dealing with the grievances, their causes must be diagnosed. But when the grievances are not given expression by the subordinates, it is manager's job to detect the possible grievances and their causes. He may realise the existence of grievances because of high labour turnover, high rate of absenteeism and poor quality of work. These problems will go on multiplying if the causes of grievances are not identified and cured.

Grievances, whether genuine or imaginary, require prompt attention in the form of explanation or redressal, for an unredressed grievance adversely affects an employee's morale, productivity or attitude. Therefore, immediate redressal and settlement of grievances are must. The three cardinal principles of grievance settlement are:

- (a) Settlement at the lowest level.
- (b) Settlement as quickly as possible.
- (c) Settlement to the satisfaction of the aggrieved.

It has been found by law and society researches that the legal regulation can substantially juridify the internal working of an industrial relations system even in the matter of adjudication of individual termination disputes by state sponsored industrial tribunals.<sup>2</sup> We know that a legalistic industrial relations framework already exists in India in this matter of industrial disputes resolution – collective interest disputes or individual disputes espoused collectively – which has a weakening impact on even bilateral grievance processing.

It is important for us to know as to what are the possible typologies in bilateral grievance handling practices, in what frameworks these are noticeable and why, and to what effect. The knowledge of such typologies on the part of trade unions and managements will help the shaping of an appropriate internal grievance-handling mechanism in an organisation. In fact, a large number of variables affect the adoption of some type of grievance-handling arrangements and not others. Primarily, these factors are the power that the trade union or workers' collectively enjoys *vis-à-vis* the management and the hold it has on the work force, management style, level of consciousness about rights in workers, structural features of the industry, presence of outside union federation and its approach to grievance-handling questions, and others.

### 3.2 APPROACHES TO GRIEVANCE HANDLING

Since no one grievance-handling practice serves the purpose of all concerned, employers adopt different approaches to grievance-handling machinery. This depends upon various factors including the attitude of management and employees to the question of grievance handling.

Especially in the Indian context managements are more prone to be *legalistic* in their approach because of the widespread influence of legal framework on industrial relations. Researchers have shown that, in this framework managements are likely to be bigger gainers in legal handling of industrial conflict. Also, many management follow a *human-relations* approach towards their workers. Sometimes, they also follow an *open-door and step-ladder* policy in this regard.<sup>3</sup>

There are three approaches documented reflecting the attitude of management and employees to handling of grievance. These are:

- (1) Legalistic View Approach.
- (2) Human Relations Approach.
- (3) Open-Door or Step-Ladder Approach.

#### **(1) LEGALISTIC VIEW APPROACH**

Managements following legalistic approach often cite the negotiated contract when an employee raises a complaint or grievance. They argue that the situation has been taken care of in the negotiated contract. The management and the worker follow the provisions therein. Grievances are those defined by the contract, and the process for dealing with the grievances is clear to all concerned and specified with the time span for each stage.

#### **(2) HUMAN RELATIONS APPROACH**

The basis of the emergence of this philosophy is human relations school. The employee and his specific problem is the major concern. The manager sympathetically listens to grievances in a professional manner so as to help the individual overcome his problem, *the fundamental assumption being that individuals are more important than production targets*. It is quite likely that understanding their needs and grievances will help in attaining production targets, but primarily individuals are the end rather than a means to an end.

The legalistic and the human relations approach can have various variations individually or in combination in different situations. Different organisations have combinations of both.

#### **(3) OPEN-DOOR AND STEP-LADDER APPROACH**

Channels of handling grievances should be carefully developed and its information should be disseminated amongst the employees. It is necessary that employees know the channels through which they ventilate their grievance. There are two procedures for the settlement of grievances – open-door policy and step-ladder procedure.

Some companies have an *informal and open - door policy* for grievances handling and employees are free to go up the top-level executives with their grievances for redressal. The common remarks heard from the chief executives of such companies are:<sup>4</sup>

*“A formalized procedure will generate grievances, which are not real. We have an open door policy and nothing prevents employees from coming up to us with their grievances for redressal. We have practically eliminated all grievance provoking situations in our company.”*

*In large companies open door policy is not suitable.* Consequently, most companies have introduced a step-ladder procedure for the settlement of grievances.

Under *step-ladder procedure*, an aggrieved employee will first present his grievance to the first line supervisor. If he is not satisfied with the decision of the supervisor, he presents his grievance to the second level, namely, the head of department. At the third step, a joint grievance committee reviews the grievance. Grievances still unsettled are referred to the chief executive of the company. In some cases, works committees form a step in the procedure. In

most of the procedures, the personnel officer does not form a step, but his counsel and assistance is available at every level of management handling grievances.

In all the procedures, the designation of authorities to whom grievances should be presented, the time limit for the disposal of grievances at each step, the manner in which grievances have to be presented – verbally or in writing, or on ordinary paper or on prescribed form etc are laid down, where there is a recognised union, the procedure is introduced with their concern. In handling grievances, management should avoid, as far as possible, the legalistic approach because constant reference to standing orders might complicate the case.

### **3.3 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. Since the magnitude and nature of grievances indicates the state of organisational health, projects the shop floor culture and shows the leadership quality, establishment of grievance resolution mechanism for managing them is of utmost importance in organisational settings. Grievances should be redressed promptly at the first stage itself. The following steps will provide a measure of guidance to the manager dealing with grievances.

#### **[I] DEFINE OR DESCRIBE THE NATURE OF THE GRIEVANCE AS CLEARLY AND AS FULLY AS POSSIBLE**

Defining or describing a grievance implies that it has been expressed. This is concerned with:

##### **1. Determining the Correct Grievance**

Many grievances, after being ‘settled’, turn up again to plague management. The trouble in such instances invariably is that the wrong grievance has been handled. The chances of getting at the right grievances are increased if care is used in the initial contact with the employee. Encouraging a person to talk is one means of getting closer to the truth. And the practice of asking the aggrieved to put the case in writing is also desirable.

##### **2. Discovery of Unexpressed Grievances**

There are cases, however, when individual grievance go unexpressed and unexposed for long periods of time. Various methods are useful in this connection. Statistical studies of turnover, complaints, transfers, earnings and sources of suggestions can provide clues to actual or probable grievances. Skills in observations of the behaviorisms, attitudes and habits of one’s subordinates are particularly helpful in detecting signs of changes due to unexpressed grievances.

#### **[II] GATHERING FACTS**

Having defined grievances as accurately as possible, the next step is to gather all relevant facts about the issue. It is important to know the alleged grievance was first experienced, whether or not it has been repeated, how and where it took place.

##### **1. Nature of Facts**

*What are facts, and what are opinions?* Practically speaking, any claim, which can be substantiated, to the satisfaction of a reasonable person may be tagged as a fact; otherwise it is an opinion. Both labour and management tend to hold opinions or evaluate facts because of their respective roles in the business social world. Management should be aware of these predispositions. If it is, it will deal more carefully with grievances and consequently gain the confidence of employees, which is so necessary in gaining acceptance of opinions that cannot be proved.

## 2. Importance of Records

Since fact gathering is not an easy task, after a grievance arises, it is perhaps wise to develop a set of records and keep them up to date. They serve to show in advance, for example, who should get a promotion and to warn others, why their chances of advancing are not good.

### [III] ESTABLISHING TENTATIVE SOLUTIONS

After getting a clear picture of the grievance, the next step in the procedure calls for the establishment of tentative solutions or answers. In handling grievances, management must make a list of alternative solutions and later test them. In compiling possible solutions, management need not at the time make them known to the worker. It is usually better to reserve judgement until some opportunity is afforded to check them. If an immediate answer is required, the selection of the right answer will be dependent upon the experience, training and good judgement of the executive involved.

### [IV] CHECKING TENTATIVE SOLUTIONS

The executive has *two possible courses of action*:

- (a) He can rely on trial and error. He can check by applying a decision. This is risky course; but often, it must be done because of the lack of time for further analysis.
- (b) He can evaluate alternatives on the basis of his own experience(s) of others. This presupposes that there exists information on past successes and failures with similar cases.

### [V] APPLYING SOLUTIONS

Having received a decision, it seems common sense that it should be applied. The decision, having finally been reached, should then be passed along in clear, unequivocal terms. After all, a grievance cannot be handled just by listening to an employees' complaint; something must be done about it. The ultimate decision is the tool of action.

### [VI] FOLLOW-UP OF THE GRIEVANCE

It is unsafe to conclude that a grievance has been well handled until a check is made to determine whether the employee's attitude has been favourably changed. To assure themselves along these lines, executives concerned need a timetable and a method of follow up, or feedback.

As far as timetable is concerned, many executives rely upon their memories to check on how grievances have been handled. But if there is any danger of forgetting, a written record should be made.

#### As for feedback methods, several are available

- (a) The most important is casual observation- just seeing how employee is taking the decision, whether favourably or unfavourably.
- (b) To ask the employee whether or not he is satisfied with the decision.
- (c) To others about a given employees reactions. This at a latter stage, is dangerous because it smacks of spying. However, when used in the hands of an expert, it is desirable because it takes place away from the particular person involved.

There are several *checking methods*. The most commonly used method is *casual observation* - take note of how that employee is taking the decision, whether favourably or unfavourably. The *second method* is more direct to ask the employee whether he is satisfied with the decision. The *third decision* is to hold a general discussion with the employee with a view to deducing his attitude indirectly. The *fourth method* is to ask other employee about the aggrieved employees' reaction.<sup>5</sup>

Flippo<sup>6</sup> describes five steps for managers in handling a grievance. These include:

**1. Receiving and Defining the Nature of the Dissatisfaction**

The supervisor should receive the grievance in a manner which itself is satisfying to the individual. It involves his leadership style. It has been observed that employee-centered supervisors cause fewer grievances than production-centered supervisors. The supervisors should attempt to define the problem adequately rather than dealing with the ambiguous feelings. They must listen to the complaints and grievances carefully to reach the facts.

**2. Getting the Facts**

Efforts should be made to separate facts from the opinions and impressions. Facts can be obtained easily if proper records are maintained by the supervisor regarding specific grievances and individuals' attendance, ratings and suggestions.

**3. Analysing the Facts and Reaching the Solution**

The supervisor or manager must analyse the facts to reach a decision. The decisions should be reached carefully because they will be precedents for the future. 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. Union pressures may temporarily bring union leadership closer to the management, but it will surely alienate the workforce away from the management.

**4. Applying the Answer**

The supervisor has to effectively communicate the decisions to the individuals even if they are adverse in nature. The answers to the aggrieved individuals must be based on legitimate grounds.

**5. Follow Up**

The follow-up of the grievance should be made to determine as to whether or not the clash of interest has been resolved. In situations where follow-up indicates that the case has been handled unsatisfactorily, the former four steps should be repeated.

**Some of the common pitfalls that management commits 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.

The management should attempt to avoid these errors. Indeed, effective handling of grievance facilitates the integration of interests.

**3.4 ROLE OF PERSONNEL DEPARTMENT, MANAGER AND SUPERVISOR IN HANDLING GRIEVANCES**

**A. ROLE OF PERSONNEL DEPARTMENT IN HANDLING GRIEVANCES**

Grievance handling is not the monopoly of a specialist or of a functional department. The role of personnel department in this regard should be:

- (a) To devise a sound grievance procedure which can serve as an effective upward communication in the organisation;
- (b) To advise the line people about the importance of a sound grievance handling system and its implementations;

- (c) To train the staff people, especially the front-line supervisors, in effective grievance handling and in counselling skills;
- (d) To implement promptly the decisions taken by the grievance committee, and for that matter To maintain effective and close liaison with all concerned;
- (e) To maintain records of the activities of the grievance committee such as meetings held, actions taken and their implementation;
- (f) To take necessary follow-up action, review the procedure, and if necessary, modify the existing procedure to suit the changing circumstances; and
- (g) To follow up individual cases of grievances settled and identify its effect on the concerned individual workers and its impact on other employees of the organisation.

#### **B. MANAGERIAL APPROACH IN DEALING WITH GRIEVANCES EFFECTIVELY**

While dealing with grievances, a manager cannot depend upon any readymade solutions. Every case has to be dealt differently in different situations. The following guidelines may be followed to deal effectively with the grievances:<sup>7</sup>

- (a) Way you treat a man with the grievance matters a lot. Show concern for the employee.
- (b) Attend to him with promptness.
- (c) Listen to grievance well.
- (d) Understand the true nature of grievance and decode the message.
- (e) Get the facts so as to identify the problem. In this process try to avoid emotional overtones of the employee.
- (f) Deeper analysis of grievance may help identify the real causes.
- (g) Take action best suited to the situation immediately and communicate to the employee.
- (h) If grievance is imaginary or unfounded, attempt may be made to counsel the employee.
- (i) Follow-up of employee to ensure whether he is satisfied or not.
- (j) In brief, call employee, listen him, solve the problem and explain him.
- (k) This is problem-solving approach on day-to-day basis and to avoid formal grievances.

#### **C. ROLE OF A SUPERVISOR IN HANDLING GRIEVANCES OF EMPLOYEES**

Some guiding points are as under:<sup>8</sup>

- (a) All supervisors should know how to handle a grievance. Then we can do something about preventing grievances.
- (b) Supervisor should not pass the buck to somebody else.
- (c) If he cannot do anything, he should bring to the attention of his supervisor.
- (d) Handling grievance encourage fact rather than perceptions.
- (e) Have problem-solving approach, not a battle to be won.
- (f) Role of first line supervisor is important as his findings last.
  - Immediacy of action.
  - Show concern for employee.
- (g) Employee may be seeking satisfaction or recognition or attention out of process.



*An empathetic approach by supervisor encourages a climate of trust, openness and mutual concern.*

### **3.5 GRIEVANCE HANDLER'S RIGHTS AND RESPONSIBILITIES**

Under the National Labour Relations Act (NLRA), stewards and other grievance handlers have the following rights:

1. The right to police the contract, solicit grievances and represent employees through the grievance procedure free of harassment or discrimination from supervisors.
2. The right to freely speak their minds while fulfilling their representational roles.
3. The right to request and get from the employer information that is relevant to the grievance at any point during the grievance process, including prior to filing a formal grievance.
4. The right to be present during a pre-disciplinary investigatory management interview with an employee if the employee request representation.
5. The right to assist the employee during such an interview through helping clarify and giving advice.
6. The right to meet with the employee prior to such an interview to become familiar with the basic facts of the case.
7. The right to sign up new members and, within legitimate workplace distribution rules, to distribute union literature.

Negotiated rights in the contract and by custom/past practice may expand on these statutory rights.

### **3.6 GRIEVANCE PROCEDURE**

It has been widely recognised that there should be appropriate procedures through which the grievances of workers may be submitted and settled. This recognition is based both on considerations of fairness and justice, which require that workers' claims concerning their rights should receive fair and impartial determination, and on the desire to remove from the area of power conflict a type of dispute that can properly be settled through authoritative determination of the respective rights and obligation of parties.

In the words of *Mondy and Noe*, "A grievance may be understood as an employees dissatisfaction or feeling of personal injustice relating to his or her employment relationship."<sup>9</sup>

A grievance is well-defined in collective bargaining agreement. It is usually restricted to violations of the terms and conditions of employment. Other conditions which may give rise to grievance are:<sup>10</sup>

1. A violation of law.
2. A violation of the intent of the parties as stipulated during contract negotiations.
3. A violation of company rules.
4. A change in working conditions or past company practices, and
5. A violation of health and/ or safety standards.

When an employee believes that the labour agreement has been violated, he or she files a grievance. The grievance needs to be resolved according to a set procedure.

Grievance procedure generally establishes the following:

1. How the grievance will be initiated?

2. The number of steps in the process.
3. Who will represent each party?
4. The specified number of working days within which the grievance must be taken to the next step in the hearing.

It has been pointed out that adequate measures for the examination of grievances are essential for the promotion and maintenances of good labour-management relations and high degree of efficiency in the undertaking. Conversely, the lack of opportunity for workers' to air their grievances and have them seriously considered tends to promote dissatisfaction and a poor level of morale among the work force, which in turn may have a negative effect on the workers' performance at their jobs. Moreover, effective grievance procedures facilitates communication to management of difficulties within the undertaking which might require remedial measures by the management. Further, by contributing to the creation of a climate of mutual confidence and respect, such procedures help to establish a relationship between the parties, which enhances the prospects of the harmonious functioning of collective bargaining itself. Grievance procedures in certain systems are substitute for or a delaying factor in respect of direct action in the form of strikes.<sup>11</sup>

The procedure for the settlement of grievances is sometimes established pursuant to legislation or often to general agreements between the central organisations of employers and workers. If the procedure is to function effectively, it is essential that the workers' should be familiar with it; that they have confidence in the fairness of the management in handling grievances and should not suffer reprisals for presenting them; and that the procedure is expeditious.

In large undertakings, a common type of grievance procedure involves successive steps at different levels, a workers' grievance being first discussed with the immediate supervisor, and then, if no solution is found, with higher levels of management. The number of levels and steps in the procedure usually increases with the size of the undertaking. Sometimes, when an important question of principle, which would involve a number of workers, is concerned, the matter may go directly to a higher level of management. Under some procedures, bipartite or joint grievance committees within the undertaking hear grievances after they have been considered at lower levels at a number of earlier stages in the procedure. A settlement reached jointly by worker and management representatives at any level is generally regarded as final and binding on both the parties. A grievance is also deemed to be settled if an appeal is not lodged at the next highest level with a given time.

### 3.7 NEED FOR GRIEVANCE PROCEDURE

The formal mechanism for dealing with worker's discontentment and dissatisfaction is called the **grievance procedure**. It is generally a formal system of several steps through which an affected employee can take his grievance to successively higher levels of management for redressal. The grievance-procedure is a *problem solving, dispute settling machinery*. It is a device by which grievances are settled, generally to the satisfaction of trade union / employee and management win – win situation instead of win – lose situation.

According to Mangrulkar, “a grievance-procedure is essential because it brings uniformity in the handling of grievances.” It gives confidence to workers that his complaint will be investigated and a decision will be taken in a reasonable period of time.

**The grievance procedure may be regarded as supplying the “psychotherapy” of industrial relations.** Small problems can be discussed and settled promptly before they become major and troublesome issues. Serious problems can be analysed in a rational manner and resolved speedily, peacefully and in keeping with the terms of collective bargaining contract.

A grievance procedure is necessary in a large organisation, which has numerous personnel and many different levels with the result that the manager is unable to keep a check on each individual, or be involved in every aspect of the working of organisation. In a small organisation, communication, knowledge and contact is possible to a much greater extent, thus, reducing the need for a formal grievance procedure.

**A well defined and a proper grievance procedure provide: -**

1. A **channel or avenue** by which any aggrieved employee may present his grievances.
2. A **procedure**, which ensures that there will be a systematic handling of every grievances.
3. A **method** by which an aggrieved employee can relieve his feelings of dissatisfaction with his job, working condition or with the management, and
4. A **means** of ensuring that there is some measure of promptness in the handling of grievances.

A grievance procedure can be voluntarily established by the management or installed as a result of 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:**

1. Let aggrieved employees know what to do if they have a grievance and where to look for or appeal to.
2. Check on arbitrary management decision, by providing a system for appeals 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.
3. Promote fair and equitable treatment and personnel practices that have regard to the rights of the employee. The superiors will be more careful in their arbitrary use of power and authority.
4. Assist in minimising discontent and dissatisfaction that may have adverse effect upon cooperation and productivity.

**INFORMAL GRIEVANCE PROCEDURE**

The Labour Research Department (1995) conducted a survey of the grievance procedures of 85 organisations. They found that the majority of complaints are resolved in an informal way, making it unnecessary to raise them as a formal grievance. Informal Grievance Procedures seem to be just as important in an organisation as informal disciplinary procedures. However, a small number of complaints will not be resolved informally and for these it is necessary to have a grievance procedure.

**FORMAL GRIEVANCE PROCEDURE**

In order that both employees and managers are clear about how to handle grievance, a grievance procedure should be designed and issued to all employees. The main purpose in some cases is to involve various groups in the design of a procedure to suit a particular organisation. A suitable format for the grievance procedure might be to use similar headings to those used in the design of a disciplinary procedure. Suitable headings could be:

- (a) The purpose and scope of the grievance procedure.
- (b) The principles that underlie the procedure.
- (c) The stages in the grievance procedure.
- (d) Exceptional circumstances.
- (e) The appeals procedure.

## EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances, it may not be practicable to raise the grievance with the immediate manager. This may be because the manager causes the grievance or because the manager will not be available, perhaps because of illness, to deal the grievance with the urgency that it deserves. In those exceptional circumstances, the grievance may be taken to the next level of supervision.

### 3.8 ESSENTIAL PRE-REQUISITES OF A GRIEVANCE PROCEDURE

Every organisation should have a systematic grievance procedure in order to redress the grievances effectively. Unattended grievances may culminate in the form of violent conflicts later on. The grievance procedure, to be sound and effective should possess certain pre-requisites:

#### 1. Conformity with Existing Legislation

A grievance procedure forms part of the integrated scheme intended to promote satisfactory relations between employers and workers. Due consideration must be given to the prevailing legislation while designing the grievance handling procedure. The grievance procedure should be designed to supplement and not supplant the existing statutory provisions. Where practicable, the procedure can make use of such machinery as the law might have already provided for. The grievance machinery can be availed of on the receipt by the worker of the order causing the grievance. The operation of the order, however, need not be of help till the grievance machinery is completely exhausted. Wherever possible, attempts should be made to complete the grievance procedure between the time the order is passed and when it is acted upon.

#### 2. Acceptability

The grievance procedure must be accepted by everybody. In order to be generally acceptable it must ensure

- (a) A sense of fair - play and justice to the worker,
- (b) Reasonable exercise of authority to the manager, and
- (c) Adequate participation of the union.

#### 3. Simplicity

The grievance procedure should be simple. Every employee must understand different stages of the procedure, the forms to be filled up, the witnesses required etc. With few steps, channels for handling grievances should be carefully developed. Wide publicity to the procedure should be given to all employees. Information about the procedure can be thoroughly disseminated among all employees through pictures, charts, diagrams, etc.

If there are too many stages in the procedure, too many forms to be filled up, too much going around etc. the very purpose of the procedure is defeated. In other words, the grievance handling procedure should be simple and short. If the procedure is complicated it may discourage employees and they may fail to make use of it in a proper manner.

#### 4. Promptness / Expedious

Speedy settlement of a grievance is the cornerstone of a sound personnel policy. **Justice delayed is justice denied.** The procedure should aim at a rapid disposal of the grievance. This can be achieved by incorporating the following features in the procedure:

- (a) As far as possible grievances should be settled at the lowest level.
- (b) No matter should ordinarily be taken up at more than two levels, i.e., normally there should be only one appeal.

- (c) Different types of grievance may be referred to appropriate authorities. It may be useful to classify grievances as those arising from *personnel relationship* and others arising out of *conditions of employment*. In the former case, a grievance should be taken up, in the first instance, with the authority in the line management immediately above the officer against whom the complaint is made. Thereafter, the matter may go to the grievance committee comprising representatives of management and worker. Other grievances should be taken up, in the first instance, with the authority designated by the management. Thereafter, a references may be made to the grievance committee and finally to the top management.
- (d) Time limit should be placed at each step and it should be rigidly followed at each level.

### 5. Unambiguity / Clarity

There should be clarity regarding each and every aspect of the grievance procedure. No grievance procedure can be expected to work satisfactorily unless there are definite provisions, consistently adhered to, determining *what* is to be done, *when*, and *by whom*. For example, every employee should know

- (a) To whom complaints are to be addressed,
- (b) In what form (oral or written),
- (c) What restrictions, if any, there are about when complaints can suitably be presented, and
- (d) How long a complainant should be expected to wait before finding out what action has been taken or planned in connection with his complaint.

Similarly, the redressing authority should be very clear what is expected from him, what measures he can take, the limits within which he should resort to an action etc.

### 6. Designation of Authorities

The workmen must know the authorities to be approached and it should therefore, be incumbent on the management to designate the authorities to be contacted at various levels.

It may be useful to classify grievances as those arising from personal relationship and others arising out of conditions of employment. In the former case, a grievance should be taken up, in the first instance, with the authority in the line management immediately above the officers against whom the complaint is made. Thereafter, the matter may go to the Grievance Committee comprising representatives of management and workers. The size and composition of the Committees shall be decided at the unit level.

Other grievances should be taken up, in the first instance, with the authority designated by the management. Thereafter, a reference may be made to the Grievance Committee. Where the matter goes to the Grievance Committee in the first instance, an appeal shall lie with the top management.

### 7. Training

In order to ensure effective working of the grievance procedure it is necessary that supervisor and the union representatives are given training in grievance handling.

### 8. Follow – up

The working of the procedure should be reviewed periodically by the department and necessary structural changes be introduced to make it more effective.

## 3.9 TYPES OF GRIEVANCE PROCEDURE

A grievance is an embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore prompt and effective handling of grievances is the key to industrial peace. This calls for a systematic procedure of grievance

handling for just and speedy disposal of grievances. There are **two types** of grievance procedures for redressing the grievances of the employees. These include:

I. Open-Door Policy

II. Step-Ladder Procedure

### **I. 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. Under this procedure, the employees are free to meet the top executive of the organisation and get their grievances redressed. Such a policy may work well in the small organisations, but in big organisations this may not be practicable because the top executive will be too busy in other matters. Another disadvantage of this policy is that lower level and middle level executives feel *bypassed*. This may complicate the human relations problems. Moreover, top management is not too familiar with the working conditions of the operative employees. It may be difficult for it to attend to employee grievances because of lack of sufficient information. Lastly, it is also said that the open door policy is suitable for executives to walk through and not the operative employees. The employees may even hesitate to go to top executives with their grievances. Because of these difficulties, step-ladder procedure may be adopted.

### **DISADVANTAGES OF OPEN-DOOR POLICY**

1. It prevents the supervisor from getting prompt, firsthand information that is stated or implied in a complaint. First level supervisors need this kind of information whether it concerns allegedly unsatisfactory work conditions or merely the feelings of some disgruntled employees.
2. When the complainant does not go directly to the first level supervisors, members of the higher management and personnel officers lose a valuable opportunity to assess the skill of supervisors in the leadership aspects of their job.
3. An executive, who looks into a complaint and settles it on the spot, is stepping out of the executive role. Time and thought are spent doing the work of lower-level supervisor.
4. The open door policy inevitably weakens the authority of management representatives who are bypassed. First level supervisors lose face with their immediate organisational superiors and with their subordinates as well, when dissatisfied employees can go straight to the top or to personnel. And all representatives of line management lose authority that they need when personnel officers are encouraged to step out of their advisory role and make line decisions.

Aside from such purely organisational considerations, the **open door procedure violates two principles** of simple justice. These are:

(a) In a dispute, to hear the other side of the story.

(b) To allow the accused to face the accuser before a verdict is rendered.

Moreover, if a higher manager is to hear a first level supervisors' story after a complaint has been registered, dissatisfied employees are back where they started, with one important difference. A supervisor who has in effect, been called on the carpet is unlikely to feel favourably disposed toward a complainant.

A few practical difficulties are associated with the "open door." Even managers who call in a supervisor and try to get the 'whole story' are likely to be unfamiliar with the work situation in which the dissatisfaction developed. Thus, they are unable at that time to evaluate information that they get in an initial interview.

Two other practical objectives are rooted in human nature. *One* of these has often been obscured by some policy statement such as: “*the open door may be used without prejudice to the employee.*” But, guarantee of safe passage cannot always be made good. Bypassed and offended supervisors can bide their time. If they want to retaliate, they can do so in devious ways. Of course, responsible supervisors are above such tactics. But there is considerable evidence that employees fear reprisal and are quick to misinterpret subsequent disciplinary action, even when taken for just cause. *Second*, many rank and file employees have enough organisation sense to recognise the inherent impropriety and risk of accepting an invitation to use the open door. Even some top executives who adhere to this procedure seem not wholly to believe all they say about it. *For example*, in one company with 21,000 employees, the senior author asked the chief executive:

“How many employees actually used the open door last year?”

“Eight”

“What do you think of them?”

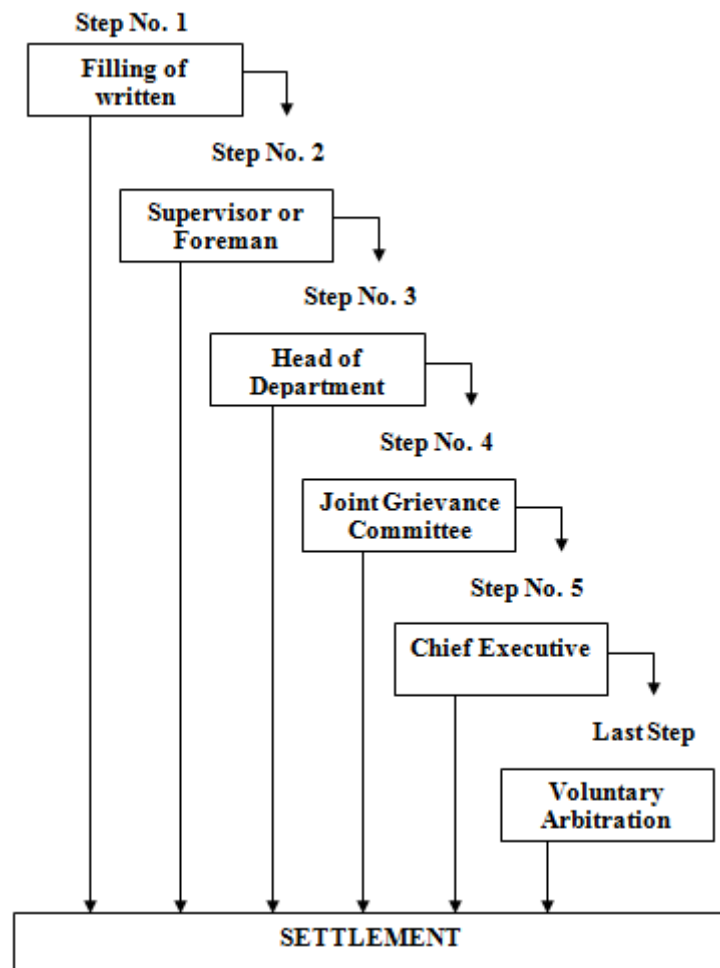
“To be honest,” the executive replied, “They were screwballs. Every one of them.”

## **II. STEP-LADDER PROCEDURE**

Under this procedure, the aggrieved employee has to proceed step by step in getting his grievance heard and redressed as shown in figure 3a. Firstly, he has to present his grievance in writing to his supervisor or foreman. If he is not satisfied with his decision, he may go to the head of the department. There may be a joint grievance committee after the decision of the head of the department is not acceptable to the employee. If the committee also fails to redress his grievance, the matter may be referred to the chief executive. The grievance procedure will be said to be exhausted if the chief executive is also not able to redress the grievance. The workers should not take any action against the management (such as going to the labour union or labour court) until the whole grievance procedure has been exhausted.

The grievance assumes the form of a conflict after the worker is not satisfied with the decision of the chief executive. For maintaining industrial peace in the plant, it is advisable to refer such grievance to the voluntary arbitration. The award of the arbitrator should be binding on both the parties.

*For redressing the Grievances of Employees in an organisation various steps that are taken are shown below in Figure 3a*



### 3.10 GUIDING PRINCIPLES FOR A GRIEVANCE PROCEDURE

It is advisable to set up an effective grievance procedure in the organisation. The procedure should be flexible enough to meet the requirements of the organisation. It should be simple so that an average employee is able to understand it.

**Clause 15 of the Model Standing Orders in Schedule 1 of the Industrial Employment (Standing Orders) Central Rules 1946** specifies that, “All complaints arising out of employment including those relating to unfair treatment or wrongful exaction on the part of the employer or his agent, shall be submitted to the manager or any other person specified in his behalf with the right to appeal to the employers”.

In some industrial units, however, detailed grievance procedure has been worked out by mutual agreement. In the absence of a satisfactory grievance procedure, day-to-day grievances are allowed to pile up, with the result that the accumulated discontent culminates some time or the other in cases of indiscipline, strikes etc. In what follows, therefore, an attempt has been made to draw up Guiding Principles for a Grievance Procedure. It is realised that it may not be possible to apply all these principles in respect of each and every industrial unit. However, all units should endeavour to confirm, as much as possible, to these principles.

Though such a procedure will vary in different organisations, yet the following principles should be observed while laying down a grievance procedure.<sup>12</sup>



1. A grievance should be dealt with in the first instance at the lowest level; that is to say, an employee should raise his grievance with his immediate superior. It may be simple to settle it on the spot and that will be the end of it. Even if it cannot be settled at that level, the man's superior will know what is happening. This is necessary not only to maintain his authority, but also to prevent him from being aggrieved, as he will certainly be, if he is by-passed and later hears of the complaint from his own superior.
2. It must be clear to the employee what line of appeal is, so that if he cannot get satisfaction from his immediate superior, he may know the next higher authority to whom he can go.
3. Since delay causes frustration and tempers may rise and rumours spread around the work, it is essential that grievances should be dealt with speedily.
4. It must be clearly understood in establishing a grievance procedure that if the grievance is against an instruction given by a superior, it is in the interest of discipline that instruction must be carried out. Only then can the employee register his protest and set in motion the procedure.
5. The grievance procedure should be set up with the participation of the employee and it should be applicable to all in the organisation. It should be agreed that there would be no recourse to the official machinery of conciliation unless the procedure has been carried out and there is still dissatisfaction. Moreover, there must not be direct action on either side, which might prejudice the case or raise tempers while the grievance is being investigated.

In handling grievances the executive should remember that it takes a long time to gain the confidence of employees, but it can be lost overnight by a foolish decision or inapt handling of a single grievance. Every grievance must be considered important however insignificant it appears. Eternal vigilance is not only the price of liberty but also of good industrial relations.

Labour and management should solve their difficulties through the process of bargaining and negotiation. Actually this does not always happen. Hence, it is necessary to provide for the services of third person – arbitrator – to help in solving grievances.

The grievance procedure should ensure the speedy redressal of the grievances and must be capable of ensuring a sense of satisfaction to the individuals concerned. As far as possible, the procedure should have a limited number of steps with the provision for at least one appeal.

### **3.11 ADVANTAGES OF HAVING A GRIEVANCE PROCEDURE**

In order to develop mutual trust and cooperation in day-to-day relations at the shop-floor level, it is necessary that an effective system of grievance redressal be provided. If the grievance redressal system is effective it will reduce the incidence of dissatisfaction amongst employees and may even prevent work interruptions. This also helps in cementing a long-term understanding and cooperation between the worker and the management.

The following are some of the distinct advantages of having a grievances handling procedure:

- (a) The management can know the employees' feelings and opinions about the company's policies and practices. It can feel the 'pulse' of the employees. To the management, the grievance procedure provides a means "*to keep check on relevant diagnostic data on the state of the organisations health.*"<sup>13</sup>
- (b) With the existence of a grievance handling procedure, *the employee gets a chance to ventilate his feelings.* He can blow off his 'steam' through an official channel. Certain problems of workers cannot be solved by first line supervisors, for these supervisors lack the expertise that the top management has, by virtue of their professional knowledge and experience.

- (c) It keeps a *check on the supervisor's attitude and behaviour* towards their subordinates. They are compelled to listen to subordinates patiently and sympathetically.
- (d) *The morale of the employees will be high* with the existence of proper grievance handling procedure. Employees can get their grievances redressed in a just manner.

### 3.12 REDRESSAL OF GRIEVANCES (ROG)

Existing Labour Legislation does not provide a well-oiled procedure for redressal of grievances. Realising the importance of Grievances Procedure in promotion of good employee-employer relationship, Indian Labour Conference held in Nainital in 1958, evolved certain guidelines.

The number of steps depends on the size of the organisation. Bigger the organisation more the number of steps. Even though grievances procedure is similar between unionised or non-unionised organisations, the number of steps may be different. This is because of understanding or agreement between unions and management, the contents of which, vary from organisation to organisation. As for example the National Labour Relations Board (NLRB) in USA which is equivalent to National Tribunal in India, ruled that unions certified as exclusive bargaining agreements incorporate a clause on grievances procedure. Before we discuss the grievance procedure let us examine the guiding principles.

#### REDRESSAL OF GRIEVANCES – PRINCIPLES

1. **Conformity with National Policy:** There are statutory provisions and existing regulation based on legislation to protect the interest of workers and improve the industrial climate and productivity. The procedure devised by each organisation must be in conformity with such legislations.
2. **Simple, Fair and Easy to Understand:** As far as possible the procedure and formalities connected with the grievances settlement must be simple, fair and easy to understand to all persons.
3. **Expeditious Proceedings:**
  - Settle grievances at lowest level.
  - Do not handle grievances at more than two levels.
  - Refer grievances for settlement at appropriate level.
  - Fix time limit.
4. **Designation of Authorities:** The authority to whom the aggrieved employee must approach must be clearly laid down and adequate publicity for the same be given.
5. **Gain Employees Confidence:** Confidence of employees is very essential for amicable settlement if dissatisfaction leading to complaint. Hawthorne studies have shown the importance of feelings, attitude and sentiments of employees. It has also highlighted the importance of counseling. Feeling of fairness, and equity improve the confidence of employees. Once the grievance process has set into motion it cannot be referred to any other machinery set up for resolving industrial disputes.

#### REDRESSAL OF GRIEVANCES – PROCEDURE<sup>14</sup>

Grievances procedure can be broadly classified under the following three broad categories:

- Three steps procedure
- Four steps procedure
- Five steps procedure

These are briefly discussed here.

(a) **Three Steps Procedure:** In this case following steps are involved:

1. **Step-1:** Aggrieved worker with Shop Representative of the union (steward) take up the grievance with the Shop Supervisor.
2. **Step-2:** If the step No.1 has failed, the worker approaches the General Manger (Owner) along with Plant Representative of Union (President).
3. **Step-3:** If step No. 2 has also failed, the matter is referred to Arbitration by an Independent Agency/Authority.

(b) **Four and Five Steps Procedure:** 3 steps procedure is used for small firms. Similar steps are used in 4 steps and 5 steps methods, incorporating, additional steps to take care of more number of persons and several plants in case of larger firms. Details are shown in Table 3.1

**Table 3.1:** Comparison of Rog Procedure

S. NO.	STEPS	3-STEPS PROCEDURE	4-STEPS PROCEDURE	5-STEPS PROCEDURE
1.	Step No. 1	Worker with Shop Rep. of Union Vs. Shop Supervisor	Worker with Shop Rep. of Union Vs. Shop Supervisor	Worker with Shop Rep. of Union Vs. Shop Supervisor
2.	Step No. 2	Union Rep. of Plant Vs. G.M or Owner	Work Committee Vs. Manager	Union Rep. of Plant Vs. Manager- I.R.
3.	Step No. 3	Arbitration by Independent Authority	Local Union Leaders Vs. Chief Executive	Grievances Committee Vs. Director (P&A)
4.	Step No. 4		Arbitration	Regional Rep. Union Vs. Chief Executive
5.	Step No. 5			Arbitration

#### EVALUATION OF GRIEVANCE REDRESSAL MACHINERY

It is advisable for an organisation to periodically evaluate its formal grievance procedures against three criteria: (i) the grievance rate; (ii) the settlement rate; and (iii) the settlement level. **Pigors and Myers**<sup>15</sup> suggest the following test questions that a personnel administrator should ask if he is keen on evaluating the success of the redressal machinery on any given grievance:

- (a) Was the case handled in such a way that the parties involved in it were able to identify, and agree upon, what was at stake?
- (b) Was the incident closed with a sense of satisfaction on the part of everyone immediately involved in the original complaint?
- (c) Was the case handled in a way that strengthened the line authority, especially at the level immediately above that at which the dissatisfaction was first expressed?
- (d) Did the solution result in a better understanding and a better adjustment between the supervisor and his subordinate?
- (e) Was there any spread of understanding, as a result of this case, to others in the management and in the union who were not directly involved in the original complaint?

(f) Did the solution contribute to operational efficiency?

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*Chapter - 4*

**Legislative Framework of Grievance  
Settlement Machinery in India**

The terms 'dispute' and 'claim' involve greater legal connotations than 'grievance'. This is so primarily because there is no legal machinery provided in India for redressal of grievances. And, perhaps, also because grievances many a time emanate from disruptions in interpersonal relations apart from interpretation of law, settlement and contract. A grievance may arise from, among others, alleged wrong interpretation or application of standing orders, action taken under standing orders, and interpersonal relations. Grievance procedure is considered to be **“the most important part of industrial relations.”**<sup>1</sup>

The basic theory of grievance procedure is that grievances should be attempted to be redressed at the level at which they occur. The second stage of the grievance procedure should involve the departmental head. And to ensure justness and fairness, the last stage of the grievance procedure should involve the chief executive of the establishment. Further, it is also assumed that these stages shall not involve union(s) in any way, the basic premise of grievance procedure being that grievance handling is an internal matter for the management.<sup>2</sup> So far we have not been able to develop formal grievance procedures with well-defined steps. Though, there have been instances “where the corporate management and union, through the collective bargaining process, have adopted a grievance procedure.”<sup>3</sup>

One important law that has some reference to grievance redressal is the **Industrial Employment (Standing Orders) Act 1946** (hereinafter referred to as the Standing Orders Act). Before the enactment of this law, “the settlement of day-to-day grievances of workers did not receive much attention in our legislative framework.”<sup>4</sup> This Act was enacted with the object of promoting uniformity in conditions of service and working conditions of employees relating to matters included in the Schedule to the Act by obliging employers to frame standing orders. Grievances arising out of the application of standing orders are dealt with in accordance with the certified standing orders. The Standing Orders Act lays down the procedure for the certification of standing orders by the appropriate government. One can also observe the availability of a forum, in a way, for processing of certain grievances under the Factories Act 1948, that is, the labour welfare officer. And works committees constituted under the Industrial Disputes Act 1947 (IDA), too, can be said to be discharging some functions involving grievance redressal.<sup>5</sup>

Certain attempts have been made at non-statutory level for the evolution of grievance procedure. **The Code of Discipline adopted by the Indian Labour Conference (ILC) in May 1958 provides a “Model Grievance Procedure (MGP)”** to be adopted by those undertakings which have no grievance machinery. The National Commission on Labour 1969 too broadly endorsed the model grievance procedure envisaged by the Code of Discipline. There are some provisions relating to grievance redressal in the Bombay Industrial Relations Act 1946 (BIRA) and the Bombay Industrial Employment (Standing Orders) Rules 1959 also. It is ironical that inspite of these attempts the grievance procedure does not receive much attention due to complexities created by unprincipled and inarticulate treatment of issues in bargaining, joint consultation, and grievance redressal by all actors in industrial relations system in India.

#### **4.1 GRIEVANCE REDRESSAL UNDER THE FACTORIES ACT, 1948**

The Factories Act 1948 contains provisions, among others, for the appointment of a “*labour welfare officer*” in every factory, which employs 500 or more workers.<sup>6</sup> The rules framed under this Act by the state governments provide for the duties and responsibilities of a labour welfare officer. The Factories Act also envisages an inspectorate, which is responsible for the general observance and implementation of the provisions of the Act by the employers. The labour welfare officer appointed under the Factories Act, technically, is not a grievance settlement authority. However, his job is to promote labour welfare and prevent industrial disputes and grievances.

Under the Factories Act 1948, the state governments have framed rules, which make provisions to the effect that labour welfare officers ensure settlement of grievances. These officers can certainly be looked at as a grievance prevention mechanism. But, "discussion and settlement of grievance as.... one of the major duties of the labour welfare officer in most firms" was studied by Charles Myers in the late sixties. In fact, he observes that "sometimes, this is the first and final step in the procedure...."<sup>7</sup> It should also be appreciated that the factories inspectorate and the labour welfare officer are mainly concerned with the compliance of legal provisions relating to the health, safety, and welfare of workers as provided in the Factories Act. Grievances relate to various matters, and working conditions are one of them. Therefore, these provisions in the Factories Act are of limited significance.

#### **4.2 GRIEVANCE REDRESSAL AND WORKS COMMITTEES UNDER THE INDUSTRIAL DISPUTES ACT, 1947**

The Industrial Disputes Act 1947 (IDA) and the rules framed thereunder provide for the constitution of works committees in those industries, which employ 100 or more workers. These committees were intended to promote amity and good relations between labour and management. The main idea underlying the constitution of the works committee was to discuss issues related to the day-to-day affairs of the establishment which are of common interest to labour and management. In a manufacturing organisation these issues may relate to the production process, working conditions, arrangement of shifts, working hours, labour welfare, etc. It was intended that these committees will be helpful in promoting a cordial atmosphere at the work place, and will also facilitate the securing of employee cooperation through mutual discussions.

Even though, specific functions of works committees were not enumerated, redressal of grievances relating to workplace issues can be said to fall in the domain of these committees. Early studies do point out that "discussion and settlement of grievances is the third-most frequent activity of works committees."<sup>8</sup> It was also thought that works committees should be "*the culminating step in the grievance machinery.*"<sup>9</sup> There was a clear projection that works committees shall not supplant trade unions and shall not indulge in bargaining activities. Rather, they were to provide an informal atmosphere in the processing of minor aberrations and grievances related to the day-to-day working of the industry. The working of any industry involves, among others, many not-so-major-problems and irritants, which agitate workers and thus affect their working lives. Works committees were thought to be an important forum for dealing with such problems.

If one looks to the working of grievance redressal under the Factories Act and by the works committees, it is noticeable that they have been able to make much contribution in this regard. It is of importance that they work in an atmosphere where no accepted grievance procedure is found. Also, instances abound in India where workers raise bargainable issues at the forum of works committees. Researchers have also found that the institution of works committees has been used by managements as a camouflage for trade unions.<sup>10</sup> Trade unions too do not favourably look to the constitution of works committees.<sup>11</sup> Also, since the beginning itself the role of works committees has remained unclear; they have been used for different purposes. Studies have reported that "periodic meetings of the works committee also discussed workers' grievances, but on some questions the committee was only advisory, or was regarded so by top management."<sup>12</sup> It has been rightly remarked that, "*one of the problems in the Indian industrial relations scene is the lack of appreciation of the distinct boundaries between the areas of grievance procedure, collective bargaining and workers participation in management.*"<sup>13</sup>

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 Amended 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) Where an industrial dispute connected with an individual workman arises in an establishment referred to in sub-section (1), a workman or any trade union of workmen of which such workman is a member, refer in such manner as may be prescribed such dispute to the Grievance Settlement Authority provided for by the employer under that sub-section for settlement.
- (3) 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.
- (4) No reference shall be made under Chapter III with respect to any dispute referred to in this section unless such dispute has been referred to the Grievance Settlement Authority concerned and the decision of the Grievance Settlement Authority is not acceptable to any of the parties to the dispute.

#### 4.3 GRIEVANCE PROCEDURE UNDER THE CODE OF DISCIPLINE

The need for establishing a regular Grievance Procedure in India has been felt since long for promoting peaceful and harmonious industrial relations. In May 1958, at its 16<sup>th</sup> session, the Indian Labour Conference (ILC) formulated the Code of Discipline which among others suggested a **Model Grievance Procedure (MGP)** for speedy disposal of workers' grievances. This was done after consulting the representatives of the workers' and employers' organisations. This Code was later ratified by the central employers' and workers' organisations at this very session. The Code of Discipline, observed that a "**Grievance Settlement Machinery**" should be set up in each establishment to administer the "Grievance procedure". The Code recommended a "**Model Grievance Procedure**" (MGP) that should be adopted by those establishments, which had no grievance machinery. The guiding principles were also laid down in the Model Grievance Procedure. It was intended that every grievance procedure would be in conformity with these guiding principles.

The *Model Grievance Procedure* provides for five successive time-bound steps, each leading to the next in case the aggrieved worker prefers an appeal. These are as under:

- (i) An aggrieved worker shall first present his grievance verbally in person to the officer designated by the management for this purpose. An answer shall be given within 48 hours of the presentation of complaint.
- (ii) If the worker is not satisfied with the decision of this officer or fails to receive an answer within the stipulated period, he shall, either in person or accompanied by his departmental representative, present his grievance to the head of the department designated by the management for the purpose of handling grievances. (For this purpose, a fixed time shall be specified during which on any working day, aggrieved worker could meet the departmental head for presentation of grievances). The departmental head shall give his answer within 3 days of the presentation of grievance.
- (iii) If the decision of the departmental head is unsatisfactory, the aggrieved worker may request for the forwarding of his grievance to the Grievance Committee which shall make its recommendations to the manager within 7 days of the worker's request. Unanimous recommendations of the Grievance Committee shall be implemented by the management. In the event of difference of opinion among the members of the Grievance Committee, the views of the members, along with the relevant papers, shall be placed before the manager



for final decision. In either case, the final decision of the management shall be communicated to the workman concerned by the personnel officer within 3 days from the receipt of the Grievance Committee's recommendations.

- (iv) Should the decision from the management be not forthcoming within the stipulated period or should it be unsatisfactory, the worker shall have the right to appeal to management for a revision. In making this appeal, the worker, if he so desires, shall have the right to take a union official along with him to facilitate discussion with management. Management shall communicate its decision within a week of the workmen's revision petition.
- (v) If no agreement is still possible the union and the management may refer the grievance to voluntary arbitration within a week of the receipt by the worker of management's decision.

In the case of any grievance arising out of discharge or dismissal of a workman, the above-mentioned procedure shall not apply. Instead, a discharged or dismissed workman shall have the right to appeal either to the dismissing authority or to a senior authority who shall be specified by the management within a week from the date of dismissal or discharge.

Referring to the general matters, the Code prescribed that the conciliation machinery and the government should not intervene in this dispute till all steps in the procedure have been exhausted. So far as the scope of the grievance procedure is concerned, it was provided that the factors that would constitute grievances are those relating to complaints affecting one or more individual workers regarding: wages, other payments, overtime, leave, transfer, promotion, seniority, work assignment, working conditions, and interpretation of service conditions. In case the causes at disputes are of general applicability or are of considerable magnitude, they will fall outside the scope of the procedure.

Referring to the question whether the worker should comply with an order of the management regarding which he wishes to raise a grievance or should refuse to do so until the grievance machinery is completely exhausted, the guiding principles laid down that the said order should be complied with before the worker invokes the procedure. The operation of the order need not be held up till the grievance procedure has been completed. However, it may be advisable for the management to wait for the findings of the grievance machinery if there is a gap between the time of the order and the time when it is to be acted upon.

*It is noticeable that, the MGP as envisaged in the Code of Discipline is essentially time bound, and consists of more than two stages. Its scope was limited to complaints of one or a few workers; it did not cover the workers of the establishment as a class.*

Model Grievance Procedure is shown in Figure 4a

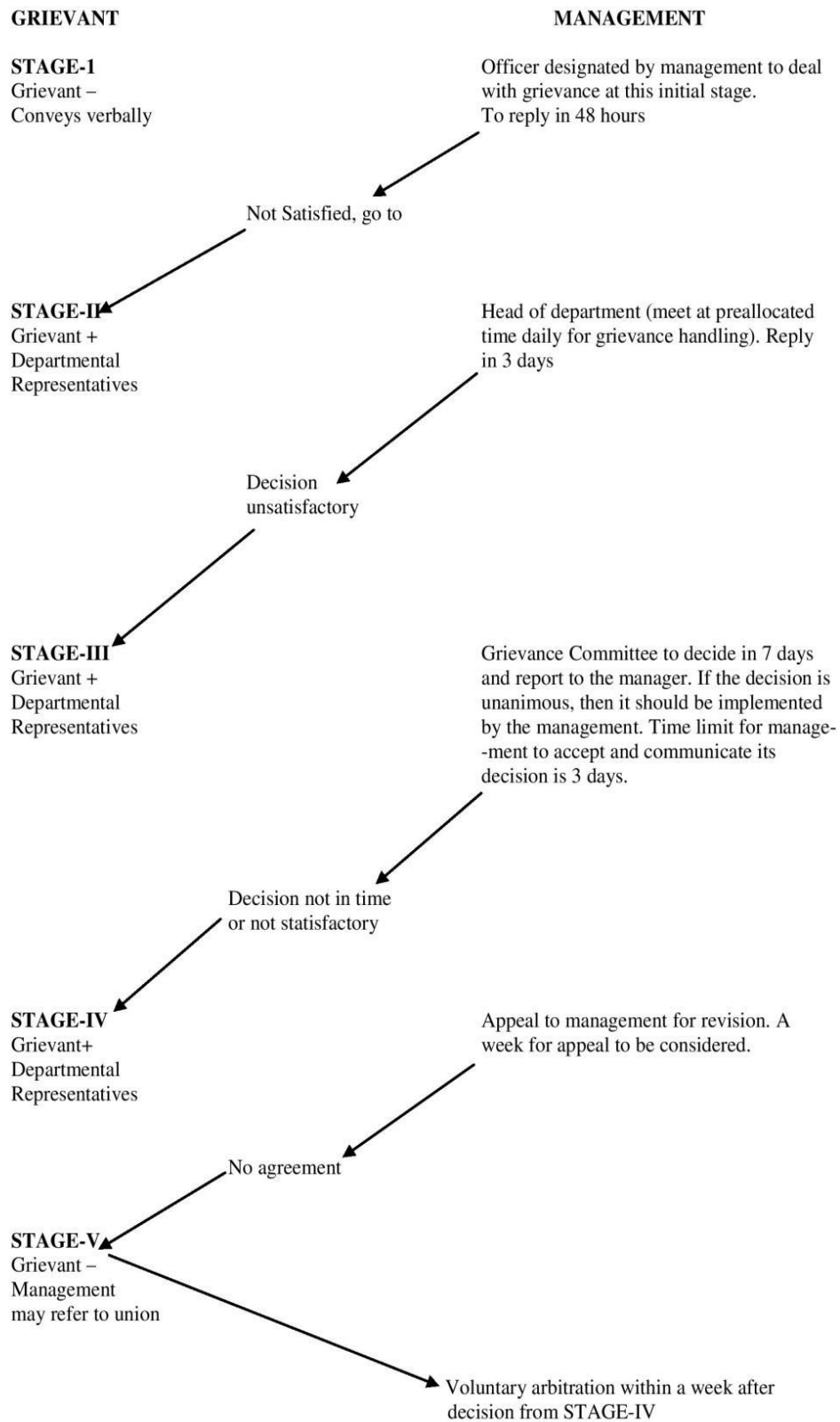


Figure 4a: Model Grievance Procedure

#### 4.4 GRIEVANCE HANDLING UNDER STANDING ORDERS

The provisions of the Industrial Employment (Standing Orders) Act 1946 also make a reference to grievances. In case there is no bilateral grievance machinery set up in an establishment, the procedure provided in the standing orders shall be applicable. From this point of view, the Industrial Employment (Standing Orders) Act 1946 is considered to be one of the important labour legislations governing industrial relations. This Act was passed with a view to bringing about uniformity in working conditions in respect of certain matters provided in the Schedule to the Act. The Act is applicable to every industrial establishment wherein 100 or more workmen are employed or were employed on any day during the preceding 12 months. It is provided that the *Central Government* is the “appropriate government” for establishments under its control, major ports, mines or oilfields, and a *State Government* is the “appropriate government” in respect of other establishments.

Every establishment, which is covered by the Act is obliged to submit draft standing orders for adoption by the establishment to the certifying officer for certification. Such draft standing orders must make provision for every matter specified in the schedule. Where Model Standing Orders have been prescribed, the standing orders should generally be in conformity with such model. The Act also permits a group of employers to submit a joint draft of standing orders for certification.

It is provided that on the receipt of the draft standing orders, the certifying officer shall invite comments/objections, if any, from workmen or trade unions within 15 days. After giving such opportunity, the officer may make such modifications/additions to the draft and shall make an order certifying the standing orders. After that he will send copies duly authenticated in the prescribed form to the employer and the trade union(s). Thus, the Act gives an opportunity to workmen to participate in the framing of these standing orders.

The Act provides an appeal over the order issued by the certifying officer. The appeal lies to the chief labour commissioner (central) or the labour commissioner (of a state), as the case may be, who are designated as appellate authorities for deciding matters appealed against. The appellate authority may either confirm the standing order in the original form or may modify it as it may think fit, and send copies to the certifying officer, employer and the trade union. The standing orders have to be displayed by the employer on special boards at the main entrance gate of the establishment for the information of the workers.

The standing orders cannot be modified for six months from the date of their operation except by an agreement between the employer and employees. After the six-months' period, either party may make an application for modifying the standing orders. Any question relating to the application or interpretation of any standing order is decided by a labour court, which is specified by the appropriate government by a notification. Therefore, in case workmen/union want a scheme of grievance redressal to be incorporated in the standing orders, they can ask for modification of the standing orders by following the procedure prescribed for such modification.

#### 4.5 GRIEVANCE PROCEDURE AND THE NATIONAL COMMISSION ON LABOUR

The National Commission on Labour 1969 (NCL) took stock of the working of the Model Grievance Procedure suggested by the Code of Discipline. The NCL more or less endorsed the broad framework of the MGP, and made certain interesting observations while suggesting its continuance. The Commission pointed out that the grievance procedure should be simple, flexible, less cumbersome, and be on the lines of the Model Grievance Procedure suggested by the Code of Discipline.<sup>14</sup> It was also suggested that the procedure must be time bound and must have a limited number of steps. While illustrating the limited number of steps, the NCL observed that these could be, for example, approach to the

supervisor, then to the departmental head, and thereafter a reference to the “Grievance Committee” consisting of management and union representatives. The Commission suggested that the grievance procedure should be made applicable to those establishments, which employ more than 100 workers.

The NCL found that there was unanimous evidence for statutory backing for the formulation of an effective grievance procedure. The Commission justified the introduction of unions in the procedure. It also suggested that there should be provision for at least one appeal. It was opined that the procedure should ensure:

- i) Satisfaction to the individual worker;
- ii) Reasonable exercise of authority to the manager; and
- iii) Participation to unions.

The NCL did not insist that the procedure should be rigidly standardised; it rather opined that informality in the approach may be required in case of small units – say units employing less than 100 workmen. The Commission also suggested that the Industrial Employment (Standard Orders) Act 1946 should contain provisions defining a grievance and laying down a procedure for effecting a settlement.

The NCL further suggested that a grievance procedure should normally have three steps:

- (a) Approach to the immediate superior,
- (b) Appeal to the departmental head/manager, and
- (c) Appeal to the bipartite grievance committee representing management and the recognised union. And if the grievance is still not settled it should be referred to an arbitrator.

#### **4.6 THE CONTEMPORARY SITUATION**

Ever since Independence, government has assigned for itself a major and more direct role to govern the industrial life, to achieve the rapid and planned economic development, to fulfill the responsibilities of a welfare state, to reduce socio-economic imbalances between various sections of society, to maintain industrial peace and harmony etc. As the National Commission on Labour (1969) observed.

“The concern of the state in labour matters emanates as much from its obligations to safeguard the interests of workers and employers as to ensure to the community the availability of their joint product/service at a reasonable price.”

The first step in this direction was the passing of the Industrial Disputes Act 1947, and retention of some of the provisions of the Defence of India Rules (DIR) that were promulgated by the British Indian Government during the second world war. This Act was enacted with a view to place the industrial relations machinery on a permanent footing by providing a regulatory legal framework for industrial relations and for the working of collective bargaining. The purpose of the Act, as stated in its preamble was, “to make provision for investigation and settlement of industrial disputes” with the view point that “Industrial peace will be most enduring when it is founded on voluntary settlement.” Keeping in mind the protection of workers’ interest and maintenance of industrial peace, the government enacted some other Acts, as Minimum Wages Act, 1948, The Factories Act, 1948, and Industrial Employment (Standing Orders) Act, (1948) in the early post-Independence period. The Minimum Wages Act empowers the government to fix minimum wages in certain scheduled employments. The Factories Act specifies in detail the safety conditions, health measures and certain amenities to be provided by the employers in the factories. The Industrial Employment (Standing Order) Act makes the drawing up of the conditions of employment relating to the methods of paying wages, hours of work, overtime,

night shifts, disciplinary action and the termination of employment etc. by the employer and certified by the competent authority or the conciliation officer. The Industrial Disputes Act, 1947, provided for the setting up of two new institutions (Works Committees and Industrial Dispute Settlement Machinery) for the prevention and settlement of industrial disputes.

Despite the need for a statutory enactment of a grievance procedure, no legislative action has been taken in this direction. An attempt was made in this regard through the 1982 Amendment to the Industrial Disputes Act (IDA). Section 9-C of the IDA as inducted by the 1982 Amendment provided for the constituting of a “**Grievance Settlement Authority**” in every establishment employing 50 or more workmen for settlement of industrial disputes connected with an individual workman employed in the establishment. It was also provided that the Grievance Settlement Authority shall follow such procedure and complete its proceedings as may be prescribed. Also, no reference shall be made under Chapter III of the IDA with respect to any dispute referred to in Section 9-C unless such dispute has been referred to the Grievance Settlement Authority concerned and the decision of this authority is not acceptable to any of the parties to the dispute. However, the provisions of Section 9-C have not yet been brought into force even though the section was enacted more than a decade ago, and the *status quo* prevails in this regard. The Government brought out various bills like the *Labour Relations Bill, 1950*; *The Industrial Relations Bill 1978* and *The Industrial Relations Bill 1988*, which provided many positive provisions regarding grievance procedure. These bills broke new grounds, but unfortunately, the bills could not be passed due to stiff oppositions from unions and employers. The bills, if had been passed, could have given a different direction and a sound footing to settlement of grievances and industrial relations in the country.

But does this situation mean that there are no formal grievance procedures in industrial establishments in India? Even way back in 1969 the NCL found that in several establishments, arrangements for formal processing of workers’ grievances existed, but these arrangement did not conform to the MGP.<sup>15</sup>

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*Chapter - 5*

# **Profile of Selected Organisations**

The diversity in the Grievance Settlement Machinery is not only in its processes, procedures, patterns and contents, but also in the basic approach in different organisations. Each organisation has evolved its own style of grievance settlement procedure reflecting its particular values and cultural characteristics, which have real impact on employee's grievances. A study of employees grievances in right perspective requires the study of various factors as they differ from organisation to organisation keeping this in mind a brief profile of a sample organisations – history, products, human relation approach, management style, interpersonnel relations etc. are presented here.

### 5.1 AIR INDIA

Air-India is India's national flag carrier. Although air transport was born in India on February 18, 1911 when Henri Piquet, flying a Humber bi-plane, carried mail from Allahabad to Naini Junction, some six miles away, the scheduled services in India, in the real sense, began on October 15, 1932. It was on this day that J.R.D. Tata, the father of Civil Aviation in India and founder of Air-India, took off from Drigh Road Airport, Karachi (then in India), to Mumbai (then known as Bombay) via Ahmedabad.

#### **Tata Airlines (India's Aviation History started with Tata Airlines)**

In 1933, the first full year of its operations, Tata Airlines flew 160,000 miles, carried 155 passengers and 10.71 tonnes of mail. Tata Airlines was converted into a Public Company under the name of Air-India in August 1946.

#### **GOING GLOBAL**

By the beginning of 1947, Air-India turned its attention to the international scene. Towards the end of the year, an agreement was reached with the Government of India for the formation of Air-India International Limited to operate international services.

Air-India International, which was registered on March 8, 1948, inaugurated its International services on June 8, 1948, with a weekly flight from Mumbai to London via Cairo and Geneva with a Lockheed Constellation aircraft.

#### **NATIONALISATION**

The early 1950s saw the financial condition of various airlines operating in India deteriorate to such an extent that the Government decided to step in and nationalise the air transport industry and accordingly two autonomous Corporations were created on August 1, 1953.

Indian Airlines was formed with the merger of eight domestic airlines to operate domestic services, while Air-India International was established to operate the overseas services.

The word 'International' was dropped in 1962. Effective March 1, 1994, the airline has been functioning as Air-India Limited.

From a total of three stations served at the time of nationalisation, Air-India's worldwide network today covers 44 destinations by operating services with its own aircraft and through code-shared flights. *As on May 31, 2005 Air India has 15,452 employees spread all over its network.*

#### **The network: Today the network of Air India involves:**

- **India:** Ahmedabad, Amritsar Bangalore, Chennai, Delhi, Goa, Hyderabad, Kolkata, Kozhikode, Mumbai, Thiruvananthapuram.
- **U.K.:** London
- **Europe:** Paris and Moscow



- **Asia Pacific:** Tokyo, Osaka, Bangkok, Hongkong, Kaulalumpur, Singapore and Jakarta.
- **Gulf and Middle East:** Doha, Abudhabi, Bahrain, Jeddah, Kuwait, Muscat, Riyadh, Dhahran and Dubai.
- **USA and Canada:** New York and Chicago
- **Africa:** Nairobi and Dar-es-Salaam

### **GUINNESS BOOK**

Air-India has, over the past 55 years, come to the rescue of Indian Nationals in various parts of the world in their hour of need on more than one occasion.

The largest airlift, involving evacuation of over 1.11 lakh people from Amman to Mumbai - a distance of 4,117 kms. - by operating 488 flights in association with Indian Airlines, took place during August 13 - October 11, 1990. This historic and herculean feat, which earned Air-India a place in the Guinness Book of World Records for carrying out the largest ever evacuation by any civil airliner, lasted 59 days.

### **MERCURY AWARD**

Air-India, which has won commendation from passengers for its inflight food, was presented the Mercury Award Gold Shield for the finest Inflight Meal Service Concept by the International Flight Catering Association in Geneva in February 1994. The airline was adjudged best among 52 entries in the annual competition open to all airlines and catering agencies.

### **RECENT PERFORMANCE HIGHLIGHTS**

The avenues from where the finance of the company arises are from passenger, excess baggage, mail, cargo, charter and handling/service/miscellaneous revenue. The result of the company showed a net loss.

#### **The major factors contributing to the company incurring losses are:**

- a. Falling yield because of increased competition.
- b. Increase in depreciation due to acquisition of more aircraft.
- c. Increase in fuel expenditure due to withdrawal of sales tax exemption on fuel uplift by the states of Delhi and Maharastra.
- d. Increase in landing, handling and navigation charges.
- e. Interest on aircraft loans.
- f. Increase in insurance rates.
- g. Weakening of rupee vis-à-vis dollar.
- h. Industrial disputes.

### **OFFICIAL LANGUAGE IMPLEMENTATION**

With a view to implementing the various provisions of the Official Language Act and Rules, the company has adopted the following three point programme.

- a. Training
- b. Translation
- c. Implementation

To achieve the above objectives, the company conducted in-service training in Hindi typewriting, Hindi stenography and organised Hindi workshops for the officers and staff.

## **SPORTS**

The company continued its policy of offering employment to meritorious sports persons and supported their training and the international exposure.

## **STAFF WELFARE**

The company continues to provide various welfare facilities to employees such as medical, staff, housing, housing loans, subsidised canteen, holiday homes, study grants, sports club, festival advance.

The following facilities are provided to female employees:

- a. Female dependents / widows of deceased employees are provided jobs by Air India Employees Departments Industrial Producers Co-operative society.
- b. Female dependents of the deceased are appointed in the company on compassionate grounds.

## **ENCOURAGEMENT AND ASSISTANCE TO SMALL SCALE INDUSTRIAL UNITS**

The effort to encourage / assist small scale industries (SSI) and units operated by handicapped persons are of continuing nature as per the government guidelines.

## **WOMEN'S WELFARE**

The company source some items/services from women's organisation, mostly charitable institutions and award contracts i.e. stitching linen, dusters, food stuff for canteen etc.

## **HUMAN RELATION APPROACH**

Air-India has well documented grievances procedure whose objective is to ensure expeditious settlement of employee grievances leading to increased satisfaction resulting in satisfactory and harmonious labour-management relations in the corporation. The grievances procedure applies to all permanent employees employed in Indian scale of pay.

With signing of settlements with various unions, the industrial relations scene in the company has shown a marked improvement. There has been a noticeable remoralisation and enthusiasm among the employees. The one time performance has increased considerably and the loss of man hour has also decreased considerably.

**Air- India celebrated its 73<sup>rd</sup> anniversary on October 15, 2005.**

## **5.2 HINDUSTAN NATIONAL GLASS INDUSTRIES LTD.**

The company was established in 1963 at Bahadurgarh (Haryana) and started its manufacturing process of making glasses in 1964 with a few semi-automatic machines and 100 employees. The organisation progressed very rapidly and gained the prestigious reputation not only in India but in Asia also. Now the company has three big furnances having 525 tonnage capacity in total and producing two million bottles per day with 1215 machines. The total working force is around 2000 employees including contract labourers. The company has only about 800 permanent workers.

The personnel department is headed by Dy. Chief (Works) who directly reports to the Resident Director. The management considers this department as the back-bone of the organisation and gives it complete freedom to recruit competent workforce. The department itself takes all the credit for the rapid development and expansion of the organisation through his manpower planning and employee's performance.

The company has witnessed sporadic cases of strikes and other forms of agitations. The relations between the management and the union are business-like and normal, as it does not share financial information with the union.

## UNIONISM

The company has two recognized unions, one affiliated to Indian National Trade Union Congress (INTUC) and the other to Lok Mazdoor Sangh (L.M.S.). The union previously affiliated to LMS has now become independent with the name Jagriti Hindustan National Glass Industries Ltd. Mazdoor Union after the fall of the Lok Dal Government in Haryana. Both the unions submit a uniform but separate charter of demands and nominate a 'Joint bargaining Committee' with equal members to negotiate a Long Term Agreement (LTA). Both the unions elect their office bearers every year either by show off hands or by a secret ballot. The influence of the unions is directly related with the party in power in Haryana and Local Member of Legislative Assembly (MLA). Change of political party in the government also affects the membership of the unions.

## HUMAN RELATION APPROACH

The personnel department is headed by Dy. Chief (Works) who directly reports to the resident director. The management considers this department as the backbone of the organisation and gives it complete freedom to recruit competent work force and frame innovative personnel policies. The department itself takes all the credit for the rapid development and expansion of the organisation through his manpower planning and employee's performance.

The company has two recognized unions, one affiliated Indian National Trade Union Congress (INTUC) and the other to Lok Mazdoor Sangh (L.M.S). The union previously affiliated to LMS has now become independent with the name Jagriti Hindustan National Glass Industries Ltd. The influence of the unions is directly related with the party in power in Haryana and local MLA. Change of the political party in the government also affects the membership of the unions.

There is no document of grievance procedure and the company has also not updated the Model Grievance Procedure (MGP). The personnel department accepts only written grievances and they are settled on case-to-case basis. There is neither specific nor any time limit has been provided to settle a grievance.

### 5.3 HINDUSTAN SANITARYWARE INDUSTRIES LTD.

The company was established in 1960 at Bahadurgarh (Haryana) with technical expertise of a U.K. Company Twyford. The company was originally registered as Hindustan Twyford Ltd. but renamed as Hindustan Sanitaryware Industries Ltd. in 1969. With its pioneering entrepreneurship Hindustan Sanitaryware Industries Ltd. (HSW) heralded in the large scale manufacture of vitreous china sanitary ware in India. HSW, today, markets over 196 basic items, amongst which is the award winning "Vacuum assisted" Double Trap silent flushing symphonic water closet. HSW is the first license holder of the Indian Standards Institution (ISI). HSW has diversified into refining raw materials in addition to sanitaryware. It employs more than 1000 workers, its investment is Rs. 671 lacs (approx.) and turnover is Rs. 7,54,932 lacs.

The management is conscious of the fact that a man lives 24 hours a day and '8 hours'-a-day approach is not functional. The company improves their 'out of work place life' through its various recreational and welfare activities, family tours and dinners, wards scholarships and awards and through religious functions.

**"Employees are genuinely taken as partners in organisation goal. We are willing to meet, to know, to discuss and find equitable solutions to problems."**

*(Vice President of the Company)*

The union-management relations have been cordial and there has been no strike, go slow or tools down or lockout in the company during the last many years.

**UNIONISM**

The company has one union which was registered in 1965, which is recognized as sole 'Bargaining Agent' by the management. The union is affiliated to Indian National Trade Union Congress (INTUC) and all its office bearers are the employees of the company. It has no outside leadership. All office bearers and executive members of the union are elected every year through a secret ballot.

**HUMAN RELATION APPROACH**

The management firmly believes in the policy of maintaining and promoting harmonious relations with employees. As a result of such a policy of openness, accessibility and willingness to discuss problems with the employees, the relations have been cordial and there has been no strike, go slow or tool down or lock out in the company during the last many years.

**5.4 INDIAN AIRLINES LTD.**

The saga of Indian Airlines began on the 1<sup>st</sup> of August, 1953 following the amalgamation of eight private airlines. The Journey began with a modest fleet, but high aspirations and over the years, Indian Airlines innovated and upgraded its fleet to emerge as one of the largest domestic airline in the world. Today, Indian Airlines, along with its subsidiary airline, Alliance Air, provides an extensive network, which encompasses the whole of India – a geographical area equivalent to Western Europe besides reaching out to 17 International Stations.

A phased fleet modernization programme was started by Indian Airlines with the introduction of viscounts in 1975, followed by Fokker Friendship aircraft in 1961. With the arrival of the pilot friendly caravelle turbo jet in 1963, Indian Airlines took domestic aviation into the jet age. In the 60's the first Indian built aircraft MS-748 (AVRO) was inducted into Indian Airlines and the year 1971 saw the induction of Boeing 737's. In 1976, Indian Airlines became the first domestic airlines in the world to induct wide-bodied, 273 seater Airbus A 300 aircraft, thus setting new standards in passenger comfort. With the introduction of the state of the art-Airbus A 320, in 1989 with its fly-by-wire technology, Indian Airlines acquired the latest in aviation equipment.

Indian Airlines, which has made a modest Rs.47.3crore net profit in 2002-2003, the first time in the last eight years, the last few years, have been a revelation. After reporting a Rs.11crore profit in 2003-2004, Indian Airlines suddenly had seen its market share drop and its supremacy challenged. Pilots left the airline in hordes to more lucrative jobs with the private operators, which resulted in under utilisation of its Boeing Fleet. Passengers too, suddenly realised that there were airlines willing to offer that title extra bit, that means so much, and Indian Airlines suddenly saw its market share drop to 53 percent from its earlier unassailable position. Certain government decisions too did not help. The sudden grounding of the A-320s after the Bangalore crash, resulting in a Rs.200 crore loss to the airline, besides the merger of the sick Vayudoot with Indian Airlines, contributed to drag the airline down further. To make things worse, the ATF prices zoomed, wage bills increased and landing and navigational charges soared. Besides, because of its social responsibilities, Indian Airline was forced to operate on some uneconomical routes. Infact 19 percent of the airlines capacity was deployed on uneconomical routes, while the private airlines chose the trunk routes.

The Indian Airlines management realised that the time for complacency was over, and if things were not corrected soon it would go out of hand. Indian Airlines had several advantages over its competitors: an establishment network, a strong support system, an experienced engineering team, and a large fleet with a certain degree of commonality.

The first thing that the management did was to establish employee confidence. A new productivity-linked incentive scheme was started and the jet engine overhaul centre in Delhi was hived off into an autonomous profit centre. A 100 per cent subsidiary, Alliance Air, was started in a bid to match the pilot salaries being offered by the competitors. The 12 aircraft

Boeing fleet was transferred to Alliance and pilots and cabin crew were recruited on contract basis fares, too, were increased. Besides, several incentive schemes too were started. The joint frequent flier programme, together with Air India, too has helped boost IA's capacity utilization. Till date, Indian Airlines frequent flier programme has 70,000 members, not too bad since the scheme itself was a late bloomer.

A new marketing strategy too helped put Indian Airlines back on the rails. The airline decided to increase its international operations, and capture the NRI traffic. The NRI traffic is almost totally with IA because of two reasons; one the cultural identification factor, and two because it links smaller towns. IA can take a passenger closest to his hometown. They have also increased their frequencies on several sectors, and upgraded their meal services. Besides, they have undertaken changes in the seating arrangement to provide greater legroom on their flights.

All these steps helped improve the aircraft utilisation levels from the abysmal low 1600 hours per aircraft per annum to 3000 hours per aircraft per annum. Indian Airlines has a fleet of 52 aircrafts and operates to 54 domestic and 17 foreign destinations. The load factor too rose to 69-70 per cent as IA once again regained a commanding market share of about 65 per cent.

The management decided to phase out the current Boeing 737 aircraft and the 250 Seater Airbus A-300 aircraft. Once their average load factor reaches 75-80 percent, it will be vital for them to increase its fleet strength, as otherwise, they may have to turn away prospective customers due to flying going full. Once that threshold limit is reached Indian Airlines proposes to lease aircrafts on a short-term basis to augment capacity.

In an attempt to bring in a better work culture the airline has also appointed Time Management International to train its personnel and bring about an attitudinal change in its personal, the airline is spending Rs.5crore towards this exercise and already 9000 people have undergone training.

Indian Airlines is presently fully owned by the Government of India and has a total staff strength of around 19,600 employees. Its annual turnover, together with that of its subsidiary Alliance Air, is well over Rs.4000 crores (around US \$1 billion).

Indian Airlines flight operations centre around its four main hubs – the main metro cities of Delhi, Mumbai, Calcutta and Chennai. Together with its subsidiary Alliance Air, Indian Airlines carries a total of over 7.5 million passengers annually.

## **FLEET POSITION**

Fleet position, as at the end of the year, is as under:-

<b>Aircraft Type</b>	<b>Number of Aircraft</b>
A-300	7
A-320	35
B-737	11

## **HUMAN RESOURCE**

*The staff strength as on 31<sup>st</sup> March 2005 was 20,012 as against 20,554 as on 31<sup>st</sup> March 2004. This includes 3,857 employees belonging to Scheduled Castes and 1,170 employees belonging to Scheduled Tribes representing 19.5% and 5.9% respectively of the total strength.*

## **HUMAN RELATION APPROACH**

There was no major incident of industrial unrest during the year and the Industrial Relations of the company remained peaceful. During the year 2002, Productivity Settlements were arrived at with Flight Engineers Association and All India Aircraft Engineers Associations. The

settlements are aimed at improving operational efficiency through increased availability and flexible deployment of Flight Engineers. Similarly, the settlement with Aircraft Engineers is to ensure increased availability of aircraft as a sequel to increased availability of engineers.

### **5.5 INDIAN OIL CORPORATION LTD.**

Indian Oil Corporation Limited (Indian Oil) is the country's largest commercial enterprise, with a sales turnover of Rs. 1,50,677 crore and profits of Rs. 4,891 crore for fiscal 2004.

Indian Oil is India's No.1 company in Fortune magazine's prestigious listing of the world's 500 largest corporations, ranked 170 for the year 2005 based on fiscal 2004 performance. It is also the 19th largest petroleum company in the world. Indian Oil has also been adjudged No.1 in petroleum trading among the national oil companies in the Asia-Pacific region for the second year in 2004.

#### **INDIA'S FLAGSHIP NATIONAL OIL COMPANY**

Beginning in 1959 as Indian Oil Company Ltd., Indian Oil Corporation Ltd. was formed in 1964 with the merger of Indian Refineries Ltd. (Estd. 1958).

As India's flagship national oil company, Indian Oil accounts for 56% petroleum products market share among PSU companies, 42% national refining capacity and 69% downstream pipeline throughput capacity.

#### **COUNTRYWIDE NETWORK**

For the year 2004-05, Indian Oil sold 50.1 million tonnes of petroleum products, including exports of 1.96 million tonnes. Its seven own refineries achieved a throughput of 36.63 million tonnes, and the pipeline network transported 43.03 million tonnes of crude oil and petroleum products.

The country's leading SERVO brand lubricants from Indian Oil, with over 42% market share and 450 grades, are sold through more than 10,000 Company retail outlets, besides a countrywide network of bazaar traders.

Indian Oil's ISO-9002 certified Aviation Service, with 65% market share, meets the fuel and lubricants needs of domestic and international flag carriers, Defence Services and private aircraft operators.

#### **VISION**

A major diversified, transnational, integrated energy company, with national leadership and a strong environment conscience, playing a national role in oil security and public distribution.

*Indian Oil People...*

*towards Excellence...*

#### **OBJECTIVES**

1. To serve the national interests in the oil and related sectors in accordance and consistent with Government policies.
2. To ensure and maintain continuous and smooth supplies of petroleum products by way of crude refining, transportation and marketing activities and to provide appropriate assistance to the consumer to conserve and use petroleum products efficiently.
3. To earn a reasonable rate of interest on investment.
4. To work towards the achievement of self-sufficiency in the field of oil refining by setting up adequate capacity and to build up expertise in laying of crude and petroleum product pipelines.

5. To create a strong research and development base in the field of oil refining and stimulate the development of new product formulations with a view to minimise/eliminate their imports and to have next generation products.
6. To maximise utilisation of the existing facilities in order to improve efficiency and increase productivity.
7. To optimise utilisation of its refining capacity and maximise distillate yield from refining of crude to minimise foreign exchange outgo.
8. To minimise fuel consumption in refineries and stock losses in marketing operations to effect energy conservation.
9. To further enhance distribution network for providing assured service to customers throughout the country through expansion of reseller network as per Marketing Plan/Government approval.
10. To avail of all viable opportunities, both national and global, arising out of the liberalisation policies being pursued by the Government of India.
11. To achieve higher growth through integration, mergers, acquisitions and diversification by harnessing new business opportunities like petrochemicals, power, lube business, consultancy abroad and exploration and production.

#### **CUSTOMER CARE**

Customer delight is the key driver of Indian Oil's marketing operations. Under the XTRA retail outlet brand unveiled during 2003-04, Indian Oil is making customers visiting its petrol and diesel stations a number of XTRA offerings, including assured quality and quantity, choice of regular and branded fuels, 100% electronic dispensing, cashless transactions, loyalty programmes for cash and credit customers, and a number of non-fuel offerings tailor-made to customer profile and requirements.

#### **ACADEMY COMPANY**

Indian Oil is an "academy" company with a score of full-fledged training centres across the country. Among these, the Indian Oil Institute of Petroleum Management (IIPM) at Gurgaon, the Indian Oil Management Centre for Learning at Mumbai, and the Indian Oil Management Academy at Haldia have emerged as world-class training and management academies.

#### **SPREADING WINGS**

Two overseas subsidiaries are already operational in Sri Lanka and Mauritius, and a regional office at Dubai is coordinating expansion of business activities in Middle East region. Within a year of incorporation, Lanka IOC Pvt. Ltd. (LIOC) has captured a 25% market share in Sri Lanka, with a target to take it to about 40% in the near future. Indian Oil is investing US\$ 35 million in Mauritius through its subsidiary, Indian Oil Mauritius Ltd. (IOML), to set up a range of marketing infrastructure there.

SERVO lubricants are being marketed in Dubai, Nepal, Bhutan, Kuwait, Malaysia, Bahrain, Indonesia, Sri Lanka, Kyrgyzstan, Mauritius, Bangladesh, etc. Indian Oil has been lending its expertise for nearly two decades to various countries in several areas of refining, marketing, transportation, training and research and development. These include Sri Lanka, Kuwait, Bahrain, Iraq, Abu Dhabi, Tanzania, Ethiopia, Algeria, Nigeria, Nepal, Bhutan, Maldives, Malaysia and Zambia.

Indian Oil's sincere commitment to Quality, Safety, Health and Environment is reflected in the series of national and international certifications and awards earned over the years.

### **INDIAN OIL – BRINGING ENERGY TO LIFE**

Indian Oil touches every customer's heart by keeping the vital oil supply line operating relentlessly in every nook and corner of India. Indian Oil's vast distribution network of over 23,000 sales points ensures that essential petroleum products reach the customer at the "right place and the right time". Our marketing share is 56% among oil public sector undertakings in India. With sales of 50.01 MMT of petroleum products in fiscal 2004, Indian Oil serves millions of customers everyday - big or small - with equal zeal and care.

Indian Oil reaches Indane cooking gas to the doorsteps of 42.4 million households in over 2,100 markets through the country's largest network of over 4,600 Indane distributors.

**LNG:** As co-promoter of Petronet LNG Limited (PLL), IndianOil has tied up the complete sale of LNG allotted to it through strategic gas sales agreements with key customers. PLL's Dahej terminal received its first parcel of LNG by January-end, 2004 and commercial supplies to customers commenced from April 2004 onwards. Major customers who have signed up with IndianOil for gas supplies include Essar Steel, Gujarat State Petroleum Corporation, Haryana Sheet Glass, Hindustan National Glass Industries Ltd. and Surya Roshni Ltd.

### **A BOND FOREVER**

The Corporation's employee strength as on March 31, 2005 was 30,801 including 10,437 in the Officers category. There are 2,406 women employees (including 775 in the officers), constituting 7.8% of the total manpower. Indian Oil's unique work culture is based on trust, openness and a commitment to creativity and consultation.

### **HUMAN RELATION APPROACH**

The organisation has well documented human relation policy. Indian Oil encourages employee participation in management and suitably rewards innovative suggestions. Indian Oil today, has one of the best records in the industry for accident-free man-hours. Participative forums in the form of joint management councils, quality circles, suggestion schemes etc. enrich its work culture. Apart from attractive scales and perks, Indian Oil provides its employees many facilities and welfare measures, which are continuously upgraded. The medical facilities extended to the employees are rated amongst the best in the country. Indian Oil has specific grievance procedure for officers and non-officers separately. The composition and scope of grievance committee are at unit level and at headquarter level.

### **5.6 KRISHAK BHARATI COOPERATIVE LIMITED**

Krishak Bharati Cooperative Limited [KRIBHCO], the world's premier fertilizer producing cooperative under the administrative control of the Department of Fertilizers, Government of India, has an outstanding track record to its credit in all spheres of its activities, now having completed the 24<sup>th</sup> year of its operation. Incorporated in April 1980 as a National Level Cooperative Society to manufacture and distribute chemical fertilizers and allied farm inputs, KRIBHCO has fully imbibed the cooperative philosophy and has made sustained efforts towards promoting the cause of modern agriculture and cooperatives in the country.

### **PLANT**

Based on natural gas from Bombay High South Bassein, the Society's Ammonia Urea complex is situated at Hazira near Surat in Gujarat, having two streams of Ammonia plants and four streams of Urea plants.

### **FINANCIAL PERFORMANCE**

The Society has achieved excellent financial results for the financial year 2004-2005. The Society earned pre-tax profit of Rs. 219.51 crores during the year and a post-tax profit of Rs. 152.70 crores. The net worth of the society is Rs. 2094.81 crores as on March 31, 2005.



**PRODUCTION PERFORMANCE**

KRIBHCO Plants in their eighteenth year of commercial operation have produced 17.73 lakh M.T. of Urea and 11.17 lakh M.T. of Ammonia in the year 2004-2005, which corresponds to 102.54% and 111.36% re-assessed capacity of Urea and Ammonia respectively. The production of Urea and Ammonia during the year is the highest so far since inception. The cumulative Urea and Ammonia production since inception crossed 29 million M.T. and 17 million M.T. respectively during the year.

**BIO-FERTILISERS**

To provide eco-friendly and cost effective fertilizer, Society established a Bio-Fertilizer Plant at Hazira in 1995 with an installed capacity of 100 M.T. per annum, which was enhanced to 250 M.T. per annum in 1998 in view of encouraging response from farmers. The society has established two more plants of 100 M.T. per annum capacity each in Varanasi (Uttar Pradesh) and Lanja (Distt. Ratnagiri, Maharashtra). During the year 2004-2005, Society produced 602.7 MT of bio-fertilizers, which was 141% of the capacity and sold 516.2 MT in various states of India which is ever highest sale having an increase by 47%.

For increasing awareness about the use and benefits of bio-fertilizers, the Society has been continuing its several promotional activities, such as field demonstration, farmers meetings, crop seminars, kisan melas, exhibitions, technology melas and free distribution of literature on Bio- Fertilizers use etc.

**DIVIDEND**

The Society has declared a dividend at the rate of 18 per cent for 2004-2005. The amount of dividend at this rate works out to Rs.88.33 crores, which is shared by the Government of India, IFFCO and other cooperative societies. An amount of Rs.58.45 crores has been declared for payment to the Government and Rs.17.46 crores to IFFCO and Rs.12.42 crores to other cooperative societies. The total dividend paid so far by KRIBHCO IS Rs. 881.14 crores. This is the highest dividend paid by any cooperative society in the country. The contribution to the exchequer is Rs. 3527 crores, which also is the highest in cooperative sector in India.

**MEMBERSHIP**

The Society's membership increased to 5790 as on 31st March, 2005 as against 5732 as on 31st March, 2004. The total paid up capital was Rs.49,170.72 lakh as on March 31, 2005.

**MARKETING ACTIVITIES**

Being in the cooperative sector and as per its Bye-laws, the Society has been marketing its product(s) only through Cooperative and Institutional Agencies. Besides providing its product(s) to Apex Level Cooperative Federations / Institutions in most of the States, it has also been supplying its product(s) to grass-root level societies in the states of Uttar Pradesh, Andhra Pradesh, Rajasthan, and the focal points in Punjab, apart from Krishak Bharati Sewa Kendras (KBSKs). The direct supplies to Primary Agricultural Cooperative Societies (PACS) / Focal Points not only help in timely availability and increase in fertilizer consumption, but also provide maximum benefits to the societies for making them financially strong.

During the year under review, the Society was given an allocation under Essential Commodities Act (ECA) in almost all the major states in the country. The Society marketed its product(s) in the states of Uttar Pradesh, Uttaranchal, Punjab, Himachal Pradesh, Haryana, Gujarat, Madhya Pradesh, Chattisgarh, Rajasthan, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu, Bihar and West Bengal. The society sold 90.7% of its ECA allocation against the national average of 88.5%.

**SERVICES TO COOPERATIVES AND FARMERS**

The society continued its vigorous efforts towards transfer of the latest farm technology and other welfare schemes during the year for upliftment of the farming community. Over 1,600 programmes such as Crop Seminars, Farmer's Meetings, Field Demonstrations, Kisan Melas, Agricultural Campaigns, Soil Testing, Farmer's Study Visits, Group Discussions, Income Generation Programmes, Rural Conferences and Krishak Parivar Sangam etc. were conducted benefiting among 2.5 lakh farmers across the country.

KRIBHCO also undertook three rural development projects, one project each in Uttar Pradesh, Maharashtra and Punjab, comprising 39 villages, for their overall development.

With a view to strengthening the Cooperative System, 380 programmes such as Cooperative conference, Workshops, State Consultative Committee Meetings and visits by Cooperative Mangers and RGB Members were organised. A variety of facilities like farm implements, furniture, its facelift, technical assistance towards improvement in godown facilities etc. are being provided to the economically weaker societies. Keeping in view the welfare of the farmers, the society has participated in Sankat Haran Bima Yojna launched by M/s IFFCO-TOKIO General Insurance Company Limited from October, 2001. Under this scheme, farmers will be insured against the risk of accidental death / injury on purchase of KRIBCHO Urea from Cooperative Societies, KBSK's by paying a premium of Rs. 1/- per bag, which is being paid by the Society.

**SEED MULTIPLICATION PROGRAMME**

The seed production programme initiated by KRIBHCO in 1990-91 to provide quality certified seeds of main crops to the farmers in Uttar Pradesh and Haryana has now been extended to 9 States. The society has increased its production from 2,928 qtls, in 1991-92 to 1.22 lakh qtls, in 2004-2005. The seeds are being made available to the farmers through KBSKs, Cooperative Societies and State Cooperative Federations. The main crops taken under seed production are Paddy, Wheat, Gram, Pea, Arhar, Urd, Moong, Lentil, Soyabean, Castor, Cotton, Hybrid Bajra and Jute. In order to provide quality seeds, KRIBHCO has set up ten most modern Seed Processing Plants located at Abohar (Punjab), Aligarh, Jangipur and Moth (Uttar Pradesh), Ajmer (Rajasthan), Dewas (Madhya Pradesh), Godhra (Gujarat), Hisar (Haryana), Nizamabad and Miryalguda (Andhra Pradesh).

**GRAMIN VIKAS TRUST**

Gramin Vikas Trust (GVT) is a separate legal entity promoted by the Society to manage rural development projects in different states of the country. GVT is managing two Rainfed Farming project i.e. Gramin Vikas Trust (East) and Gramin Vikas Trust (West) comprising Jharkhand, Orissa and West Bengal in Eastern Region and Madhya Pradesh, Gujarat and Rajasthan in Eastern Region. Both the projects are funded by Department of International Development (DFID), UK; Government of India and KRIBHCO.

The Western project was sanctioned for a period of 7 years from April 1999 to March 2006. The Eastern project has been continuing since April, 1995 and has been extended up to March 2005, working under the umbrella of GVT. The project, having participatory approach, aims at sustainable livelihood for poor people through Natural Resource Development and dissemination of low cost technology.

The project is being implemented in 212 core villages and 550 proximal villages and will cover another 500 villages in partnership with State Government, Panchayati Raj Institutions (PRI), Non-Government Organisation (NGO's) etc. The project has successfully developed JANKARS system where village volunteers are equipped to take up project intervention, dissemination of project technology and approaches and act as an animator for the development programmes. Along with this, other activities undertaken are formation of Self Help Groups, General Health

Camps, Eye Camps, Animal Health Camps, Poultry Vaccination Camps, Construction of Houses, Repairing of School Buildings, Grain Banks, Literacy Programme etc.

### **INDUSTRIAL RELATIONS**

Maintaining its past tradition, relations between management and employees remained cordial during the year. There has not been a single man-day loss on account of industrial relations problem. An atmosphere of mutual trust, confidence and goodwill was maintained between the management and the employees duly represented by their Unions and Associations. Moving together with mutual trust and confidence, the Society has been able to march ahead with full cooperation and support from all sections of its employees. Management maintained a transparent and open door approach towards resolving employee matters. This enables the Society to settle all its domestic issues amicably in a fair and just manner. It is a reflection of mature leadership exhibited by the Management and the Employees.

The Society always considers its employees as its asset and gives paramount importance to Human Resources. Unions / Associations are consulted and their suggestions are given due consideration while framing HR Policies.

### **AWARDS**

- Productivity award for Bio-fertiliser Production by National Productivity Council (NPC) for the year 1999-2000, 2000-2001 and 2001-2002 was received in the year 2003-2004.
- Certificate of Merit by Public Relations Society of India, Hyderabad Chapter for House Journal competition for the year 2003-2004.

### **DIVERSIFICATION / EXPANSIONS PLANS**

#### **Hazira Phase – II**

The Society was advised by the Department of Fertilizers to wait the announcement of new fertilizer policy before proposed Hazira Expansion Project is processed for an investment decision. Subsequently, the information / analysis as requested by Department of Fertilizers have been furnished. KRIBHCO is now awaiting the announcement of new fertilizer policy.

#### **Joint Venture Fertilizer Project in Oman**

All project agreement have been signed by the respective parties. All the conditions precedent to the commencement date have been satisfied and commencement date of the project contract has been declared as 15th August 2002. Project site has been handed over formally to the EPC contractor. EPC contractor has started work. Construction work at project site are in progress. Upto March 31, 2004 KRIBHCO has remitted an amount of US\$ 37.35 million to Oman India Fertilizer Company (OMISCO).

#### **Joint Venture Fertilizer Project in Iran**

The Society along with IFFCO signed an MOU with Qeshm Free Area Authority (QFAA) to set up a joint venture fertilizer project in Iran. In view of the depressed international Urea market, the joint venture is not viable at this juncture. QFAA will look into the environmental aspects for setting up an Ammonia plant on stand-alone basis. Once the environmental aspects are ascertained a global scenario of ammonia including demand-supply gap and prices etc. are found favourable, the Techno-Economic Feasibility of the project including financing of the project will be reviewed.

#### **Power Project at Pipavav, Gujarat**

Due to uncertainty of Natural Gas at Pipavav, the Board of Directors of the Society in its 177th meeting held on August 30, 2001 decided that Society would not be proactive till the issue of Natural Gas Supply and its transportation are settled. The availability and supply of Natural Gas at Pipavav remains uncertain.

**HUMAN RELATION APPROACH**

The society has well written grievance procedure under the code of discipline.

**5.7 MINERAL METAL TRADING CORPORATION**

Established in 1963, MMTC, one of the highest foreign exchange earner for India, is a leading international trading company with a turnover of over US\$3 billion.

It is the largest international trading company of India and the first Public Sector Enterprise to be accorded the status of “FIVE STAR EXPORT HOUSE” by Government of India for long standing contribution to exports.

**MMTC is the largest non-oil importer in India.**

MMTC has, over the years emerged as a multi Merchandise Trading Corporation, also playing a leading role in international trading of Fertilizers, Agro Products, Precious Metals, Coal and Hydrocarbons besides general trading. As the largest international trading enterprise of India and the first PSE to be awarded the Golden Super Star Trading House status, MMTC continues its journey to scale new heights of success by achieving sustainable and viable growth.

*MMTC is the 1<sup>st</sup> PSE to be awarded Golden Super Star Trading House Status.*

It is largest exporter of Minerals from India exporting nearly 14 million tonnes annually. It is largest single Importer / Supplier of Bullion in the country and leading Exporter/Importer of Agro Commodities.

MMTC's subsidiary in Singapore (MTCL) holds “Approved International Trader” status according by Singapore Trade Development Board, a prestigious recognition awarded to select Indian Companies.

Its vast international trade network, which includes a wholly owned international subsidiary in Singapore, spans almost in all countries in Asia, Europe, Africa, Oceania and Americas, giving MMTC a global market coverage.

**OBJECTIVES**

1. To be a leading International Trading House in India operating in the competitive global trading environment, with focus on “bulk” as core competency and to improve returns on capital employed.
2. To retain the position of single largest trader in the country for product lines like minerals, metals and precious metals.
3. To promote development of trade-related infrastructure.
4. To provide support to the medium and small scale sectors.
5. To render high quality of service to all categories of customers with professionalism and efficiency.
6. To streamline system within the company for settlement of commercial disputes.
7. To upgrade employees skills for achieving higher productivity.

**MISSION**

As a major trading company in Asia, MMTC aims at improving its position further by achieving sustainable and viable growth rate through excellence in all its activities, generating optimum profit through total satisfaction of shareholders, customers, suppliers, employees and society.

**CHALLENGING ADVERSITIES**

Despite the uncertain operating environment, the company achieved sales turnover of Rs.62,259 million including exports of Rs.23,356 million and imports of Rs.37,324 million. This has been achieved by strategically focusing on selected areas, which offered opportunities for growth.

Robust growth of 35% in exports witnessed during the year was the highest recorded by the company in 40 years of its existence. The growth was despite rupee appreciation vis-a-vis US dollar.

Though the national decline of Gold imports by 9% during the year pulled down the import sales, yet the company achieved the third highest performance in the last decade by enhanced focus on import of Coal and Hydrocarbons, Metals, Fertilizers and Fertilizer Raw Materials.

An overwhelming growth of 359% was achieved in domestic trading by the Company vis-à-vis preceding year. The growth was witnessed through enhanced sales of Pig Iron, heartening response to Jewellery exhibition and sales of value added "SANCHI" branded sterling Silverware.

#### **SUSTAINING FINANCIAL GROWTH**

Despite adversities, the company improved its operating margins significantly. Operating profits increased by 137% during the year. This could be achieved by higher value addition, a greater focus on businesses offering better returns, continued cost reduction measures and improvements in productivity and efficiency. Profit Before Tax improved by 44% and Net profits of Rs.253.43 million was higher by 35% over the preceding year.

MMTC, amongst the few companies having distinction of zero long-term debts, was able to reduce its short-term loan liabilities by 43% during the year. The enhanced focus on debt realization resulted in overall decline of 22% in sundry debtors.

#### **HUMAN RESOURCES**

The company recognises its human resources as real assets. It has a firm faith that motivated, created, committed and satisfied human resources are catalyst to the achievement of mission and objectives of any company. Three-pronged strategy of redeployment, retraining and rightsizing is being adopted to exhort best output of our human resources. Skill upgradation through well-planned training and development programmes continued round the year. Focus to improve qualification and age profile was given further thrust with induction of professionals at entry levels. For right sizing voluntary retirement scheme was offered during the year, which was availed by 195 employees of the company.

#### **HUMAN RELATIONS**

Harmonious industrial relations continued to prevail in the company with no man days lost during the year. The employees participated in operations through constructive suggestions for improvements at all levels ensuring business development and improved customer satisfaction.

The company recognises its human resources as a real asset. The mission and objectives of any company can be achieved by motivated, creative, committed and satisfied human resources. The efforts for right sizing continued during the year with 33 officers and 150 employees of staff cadre and 4 officers, 7 staff and 1 workman of Mica division opting for Voluntary Retirement funded entirely from the internal generations of the Company.

The total manpower strength of the Company as on 31.3.2004 was 2160 comprising 659 officers, 1357 employees in staff cadre and 144 workers.

The company, with the objective of upgrading the skill with enhanced relevance offers training and development programmes for its employees. During the year, 518 employees (353 officers and 165 staff) were trained through training programmes organized in-house as well as sourced from reputed institutions / organisations.

### **5.8 NATIONAL THERMAL POWER CORPORATION**

NTPC was established, as a public sector power utility by government of India in the year 1975 at a time when the country was reeling under acute shortage of power and other players in the field were not able to cope up with situation.

NTPC was among the first Public Sector Enterprises to enter into a Memorandum of Understanding (MOU) with the Government in 1987-88. NTPC has been placed under the 'Excellent Category' (the best category) every year since the MOU system became operative.

### **NTPC – LEADER IN POWER SECTOR**

National Thermal Power Corporation Limited (NTPC) is the largest thermal power generating company of India with an installed capacity of 21,749 MW (as on March 31, 2004) contributing 26% of the country's entire power generation lighting every fourth bulb in the country. A public sector company wholly owned by Government of India, was incorporated in to accelerate power development in the country. Within a span of 30 years, NTPC has emerged as a truly national power company, with power generating facilities in all the major regions of the country. Based on 1998 data, carried out by data monitor UK, NTPC is the 6th largest in terms of thermal power generation and the second most efficient in terms of capacity utilisation amongst the thermal utilities in the world.

With ambitious growth plans to become a 40,000 MW plus company by 2012 and 56,000 MW power company by 2017, NTPC - the largest power utility of India has already diversified into hydro sector. Further initiatives for greater organisation transformation have been approved under PROJECT DISHA.

Core business of NTPC is engineering, construction and operation of power generating plants and it also provides consultancy to power utilities in India and abroad. NTPC acquired 50% equity of the SAIL Power Supply Corporation Ltd. (SPSCL). This joint venture company operates the captive power plants of Durgapur (120 MW), Rourkela (120 MW) and Bhilai (74 MW). NTPC is also managing Badarpur thermal power station (705 MW) of Government of India.

### **CORPORATE OBJECTIVES GROWTH**

1. To add generating capacity within prescribed time and cost.
2. To expand consultancy operations and to participate in ventures abroad.
3. To diversify into power related business to ensure integrated development of energy sector in India.

### **GROWTH WITH DIVERSIFICATION AND JOINT VENTURES**

1. NTPC has diversified into the hydro sector.
2. A new Company called NTPC Electric Supply Company Ltd. formed to take up power distribution activities.
3. Three joint venture companies with SAIL to operate and maintain the Captive Power Plants at Durgapur, Rourkela and Bhilai Steel Plants.
4. A joint venture company with ALSTOM power generation AG called NTPC ALSTOM power serves pvt. Ltd. (NASL) for taking up Revolution and modernization assignments of power plants in India and abroad.
5. Utility Powertech Ltd., a joint venture company of NTPC and BSES has been formed to take up assignments of construction, erect iron and supervision in power and other sectors in India and abroad.

In a remarkable achievement the recently conducted Business Today-Hewitt Associate Best Employers Survey 2004 ranked NTPC the third best among 220 major companies in India.

### **ALL FOR THE ENVIRONMENT**

NTPC Stations and NTPC management Badarpur Station has been accredited with ISO 14001 for sound environment management systems and practices. NTPC has planted more than 15 million trees in and around its projects to protect the environment.

A “Centre for Power Efficiency and Environment Protection” CENPEEP – A resource centre for developing and disseminating latest technologies on Environment Management has been established in NTPC with the assistance of United States Agency for International Development (USAID). It received the Climate Protection Award 2003, instituted by the US Environmental Protection Agency.

### **ASH UTILISATION**

During 2002-03, nearly 20% of the total ash generated by NTPC Stations was utilized for various productive purposes. Over 57 lac tons of ash was used by the Cement and Asbestos Industry, Ash Dyke raising, land development and road enhancement. Pilot scale ash brick manufacturing facilities have been established at all coal based power stations of NTPC.

### **NTPC AS ONE OF THE NAVRATNAS**

The Government of India has decided to accrue a special status to top profit making Indian Public Sector Enterprises, calling them NAVRATNAS (literally, ‘nine jewels’, though now they number eleven). They are Bharat Heavy Electricals Ltd. (BHEL), Bharat Petroleum Corporation (BPCL), Hindustan Petroleum Corporation Ltd. (HPCL), Indian Petro-Chemicals Corporation Ltd. (IPCL), National Thermal Power Corporation Ltd. (NTPC), Oil and Natural Gas Corporation Ltd. (ONGC), Steel authority of India Ltd. (SAIL), Gas Authority of India Ltd. (GAIL), Mahanagar Telephones Nigam Ltd. (MTNL).

As a ‘Navratna’ Public Sector Enterprise, NTPC has always been delivering peak performance, be it generation of power, financial performance, human resources development or preservation of environment. Not only does NTPC provide a lead to the power sector in India. It is also establishing itself as a global player. The company’s corporate plan sets an ambitious target of becoming a 40,000 MW power colossus by 2012.

### **HUMAN RESOURCES**

Powering India’s Growth: Through People

“To enable our people to be a family of committed world class professionals making NTPC a learning organisation”.

NTPC believes in achieving organisational excellence through continuous development of its human resources. Therefore, a comprehensive human resource strategy spanning activities preceding the pre-employment of personnel to the activities following their separation is in place.

An executive trainee scheme was introduced in 1977 for inducting talented fresh graduates and grooming them into a dedicated cadre of power professionals. The scheme comprises recruitment in the disciplines of mechanical, electrical, civil, control and instrumentation, computer science, chemistry, HR and finance.

NTPC has created 18 project-training centers, 2 simulator-training centers and an apex institute called ‘Power Management Institute’ (PMI).

Another development initiative is the mentoring system, which NTPC has introduced for the new recruits. Under this system, executive trainee is associated with a senior employee of the company to enable him to build their knowledge base and integrate them into NTPC’s culture.

In order to tap the talent among workmen and make use of their potential for creativity and innovation, Quality Circles were setup in all the departments of the power plants. As of now, over 250 Quality Circles are in operation in various units/offices of NTPC.

NTPC has been laying emphasis on culture-enabling processes. For instance, with the objective of leveraging the emotional intelligence of the employees and for creating a positive and progressive organisational culture, attitudinal training was initiated. About 2000 executives have been put through attitudinal training programs.

#### **OPERATIONAL PERFORMANCE**

The corporation recorded a generation of 149.17 Billion Units (BUs), showing an increase of 5.9% over the previous year's generation of 140.9 BUs. With 19.24% share in the total installed capacity of the country, NTPC contributed 26.7% electricity during 2004-05.

#### **HUMAN RELATION APPROACH**

NTPC management believes in the philosophy of open door policy in the matter of redressal of grievances and an aggrieved employee is welcomed to meet his departmental head or the concerned HR officer, including the head of HR department and discuss his grievances. NTPC has a time-bound grievance procedure for all executives and non-executive employees for redressal of the grievances.

#### **5.9 PARLE BISCUITS PVT. LTD.**

Parle Product Pvt. Ltd was set up at Bombay in year 1932. With its proper service and management it expanded with high frequency in different parts of India. In this process of expansion, they established their unit in Bahadurgarh in October 1981, known as Parle Biscuits Pvt. Ltd. The main objective of Parle is to be a market leader in food industry with only production plant in operations. Parle Biscuits Pvt. Ltd started the production in 1981. Later on in 1989, second plant of production was installed. Since, then there has been a constant increase in the production. Up to 1991, both production lines were producing only Parle G, but on 31st March 1992 for the first time the company started producing Crack Jack and with the effect from May 1993 the production of 'Namkeen' also came into existence. Ever since October 1992, the production is being carried in three shifts round the clock.

The lay of the factory has been planned keeping in view the operational convenience and need for future expansion. The various buildings have been constructed in a way, which ensures smooth and continuous flow of man material and machine. There are approx. 1,140 work force and 100 staff persons working round the clock. This company is being managed by the General Manager.

#### **HUMAN RELATION APPROACH**

There is no written policy document relating to grievance procedure but the company has a separate personnel department responsible for personnel policies and employer-employee relations.

The management firmly believes, as it is an unwritten law that all problems be solved across the table and not on the street. The relationship between the Management, Employees and Workers is basically contractual, based on give and take and large part of the personnel department and union's time and energy is spent in keeping vigilance over each other. In the absence of written employee grievance procedure, grievances are handled on the basis of personal consideration and the position of the employee within the company.

**“We want our problems to be solved and not to fight, confront and strike”**, commented a manager.



**5.10 STEEL AUTHORITY OF INDIA LTD.**

India's largest steel company named Steel Authority of India Limited (SAIL) was established in the year 1973. Steel Authority of India Ltd. (SAIL) is a Company registered under the Indian Companies Act, 1956 and is an enterprise of the Government of India. The Government of India owns about 86% of SAIL's equity and retains voting control of the Company. However, SAIL, by virtue of its "Navratna" status, enjoys significant operational and financial autonomy.

**HOLDING COMPANY**

The Ministry of Steel and Mines drafted a policy statement to evolve a new model for managing industry. The policy statement was presented to the Parliament on December 2, 1972. On this basis the concept of creating a holding company to manage inputs and outputs under one umbrella was mooted. This led to the formation of Steel Authority of India Ltd. The company, incorporated on January 24, 1973 with an authorized capital of Rs. 2000 crore, was made responsible for managing five integrated steel plants at Bhilai, Bokaro, Durgapur, Rourkela and Burnpur, the Alloy Steel Plant and the Salem Steel Plant. In 1978 SAIL was restructured as an operating company.

Since its inception, SAIL has been instrumental in laying a sound infrastructure for the industrial development of the country. Besides, it has immensely contributed to the development of technical and managerial expertise. It has triggered the secondary and tertiary waves of economic growth by continuously providing the inputs for the consuming industry.

**MAJOR UNITS****Integrated Steel Plants**

- Bhilai Steel Plant (BSP) in Chhattisgarh
- Durgapur Steel Plant (DSP) in West Bengal
- Rourkela Steel Plant (RSP) in Orissa
- Bokaro Steel Plant (BSL) in Jharkhand

**Special Steel Plants**

- Alloy Steel Plants (ASP) in West Bengal
- Salem Steel Plant (SSP) in Tamil Nadu
- Visvesvaraya Iron and Steel Plant (VISL) in Karnataka.

**Subsidiaries**

- Indian Iron and Steel Company (IISCO) in West Bengal
- Maharashtra Elektros melt Limited (MEL) in Maharashtra
- Bhilai Oxygen Limited (BOL) in New Delhi

**JOINT VENTURE**

SAIL has promoted joint ventures in different areas ranging from power plants to e-commerce.

**1. NTPC SAIL Power Company Pvt. Ltd**

Set up in March 2001, this 50:50 joint venture between SAIL and the National Thermal Power Corporation (NTPC) operates and manages the Captive Power Plants-II of the Durgapur and Rourkela Steel Plants, which have a combined capacity of 240 MW.

**2. Bokaro Power Supply Company Pvt. Ltd.**

This 50:50 joint venture between SAIL and the Damodar Valley Corporation formed in January 2002 is managing the 302-MW power generation and 1880 tonnes per hour steam generation facilities at Bokaro Steel Plant.

**3. Bhilai Electric Supply Company Pvt. Ltd.**

Another SAIL-NTPC joint venture on 50:50 basis formed in March 2002 manages the 74 MW Power Plant-II of Bhilai Steel Plant which has additional capacity of producing 150 tonnes of steam per hour.

**4. UEC SAIL Information Technology Ltd.**

This 40:60 joint venture between SAIL and USX Engineers and Consultants, a subsidiary of the US Steel Corporation, promotes information technology in the steel sector.

**5. Metaljunction.com Pvt. Ltd.**

A joint venture between SAIL and Tata Steel on 50:50 basis, this company promotes e-commerce activities in steel and related areas.

**6. SAIL-Bansal Service Center Pvt. Ltd.**

SAIL has formed a joint venture with BMW industries Ltd. on 40:60 basis to promote a service centre at Bokaro with the objective of adding value to steel.

**7. North Bengal Dolomite Ltd.**

A joint venture between SAIL and West Bengal Mineral Development Corporation Ltd. on 50:50 basis was formed for development of Jayanti Dolomite Deposit, Jalpaiguri for supply of Dolomite to DSP and other plants.

**8. Romelt-SAIL (India) Ltd.**

A joint venture between SAIL, National Mineral Development Corporation (NMDC) and Russian promoters for marketing Romelt Technology developed by Russia for reducing of iron bearing materials, which is carried out with carbon in single stage reactor with the use of oxygen.

Besides, SAIL has seven central units viz. the Research and Development Centre for Iron and Steel (RDCIS), the Centre for Engineering and Technology (CET), the Management Training Institute (MTI) all located at Ranchi, Central Coal Supply Organisation located at Dhanbad, Raw Materials Division, Growth Division and Environment Management Division all located at Calcutta. SAIL Consultancy Division (SAILCON) functions from New Delhi. The marketing of products of SAIL plants is done through the Central Marketing Organisation (CMO), Calcutta which has a countrywide distribution network. Almost all plants and major units are ISO: 9000 Certified.

**PRODUCTS**

SAIL is the leading steel making company in India. SAIL produces steel of basic as well as speciality grades for industries, including defence, construction, engineering, power, transportation, oil and natural gas and consumer durables. SAIL's product range covers semi-finished and finished material such as:

- Hot Rolled Sheets and Coils
- Cold Rolled Sheet and Coils
- Galvanised Sheet and Coils
- Plates
- Electrical Steel Sheets
- Tin Plates
- Rails, Wheels and Axles

- Structural, Bars and Rods
- Pipes
- Billets/Blooms/Slabs
- Stainless/Alloy Steels
- Pig iron

### **BRANDED PRODUCTS**

#### **(a) SAIL-TMT**

Thermo-mechanically treated Rebars produced by the Bhilai and Durgapur Steel Plants.

#### **(b) SAIL-TMT-S**

Thermo-mechanically treated Rebars with superior quality of high corrosion resistance produced by the Bhilai and Durgapur Steel Plants.

#### **(c) SAIL Jyoti**

Galvanised steel produced by the Bokaro and Rourkela Steel Plants.

### **TO WHOM SAIL SELLS**

Besides supplying its full range of products to institutional buyers like Defence and the Railways, SAIL is successfully servicing the requirements of a variety of customers in the following user segments in the country:

- Projects
- Construction
- Heavy engineering
- Fabrication
- Tube manufacturers
- Cold-reducers
- Auto segment
- Cycle
- Drum and Barrel
- Container
- White goods
- Transportation (oil/gas/water)
- Coated sheet manufacturers
- Wire drawers
- Agricultural equipment

SAIL also regularly exports Hot Rolled Coils, Plates, Sheets, Semis, etc. to various countries.

### **HOW SAIL SELLS**

With the largest marketing network among Indian steel producers. SAIL has the most penetrative market reach. The vital responsibility is carried out by the SAIL's own Central Marketing Organisation (CMO) and the International Trade Division. CMO encompasses a wide network of 38 branch offices and 47 stockyards located in major cities and towns throughout India. Authorised dealers ensure supply of SAIL steel in locations including those where stockyards do not exist.

### **STRENGTHS AND STRATEGIES**

SAIL is the market leader in the Indian steel industry with a sales turnover exceeding Rs.16,000 crore (about US\$3.2 billion). Meeting around a third of the country's requirement of saleable steel (including semi-finished steel), SAIL's strength lies in its being the largest steel producer with a wider product range than any other domestic steel maker.

SAIL's market-oriented product mix is complemented by a basic marketing philosophy, which rests on value generation:

- Extensive customer contact
- Key account management
- A segment-wise approach
- Delegation of decision-making authority to experienced field executives
- Close monitoring of order servicing
- Attention to customer services and
- Customer satisfaction

This strategy has paid immense dividends over the years, enabling SAIL to maintain a large and loyal customer base.

### **SAIL TODAY**

SAIL today is one of the largest industrial entities in India. Its strength has been the diversified range of quality steel products catering to the domestic, as well as the export markets and a large pool of technical and professional expertise. The total turnover of the company was an all-time high of Rs. 24,178 crore during 2003-04, a growth of 26 per cent as compared to 2002-03. SAIL also recorded the highest-ever net profit of Rs. 2,512 crore.

Today, the accent in SAIL is to continuously adapt to the competitive business environment and excel as a business organisation, both within and outside India.

### **SAIL - INTO THE FUTURE**

As the largest steel producer in the country, Steel Authority of India Limited (SAIL) has always believed in structured planning for achieving organisational growth. Changes in business environment call for periodical review of long-term plans. With increasing emphasis on synergy of operations, automation and reduction in operating units, SAIL has planned to reduce its manpower level from existing 1,47,000 to under 1,00,000 by the end of the year 2005.

By 2012, the consumption of steel in India is expected to reach around 55 to 60 million tonnes (MT), nearly double the current level. Corporate Plan-2012 envisages enhancement in SAIL's domestic market share from the current level of around 26% (it is estimated that in 2003-04

steel consumption in the country crossed 30 MT) to around 27% (of the projected 55-60 MT) through a mix of measures, including stepped-up production, further intensification of market-orientation, and improved cost and quality competitiveness, supported by rational investment and multiple managerial interventions to optimize resource utilization. For realistic achievement, the plan has been split into two stages – Stage-I pertaining to the period up to 2006-07 and Stage-II up to 2011-12.

*Chapter - 6*

**Employees Grievances Settlement  
Procedure in Selected Organisations**

The grievance procedures and machinery of the ten sample companies have been studied in detail through structured questionnaires, discussions, and personal interviews. It was found that these companies have written grievance procedures patterned after the Indian Labor Conference's "Model Grievance Procedure". The unions undertake not to raise a dispute unless a grievance has been processed through various stages of the said grievance procedure. But in practice, the sample companies do not adopt the Model Grievance Procedure for the settlement of the grievances and moreover no time limit is prescribed for the employee grievance settlement.

### 6.1 AIR-INDIA

The objectives Air-Indias Scheme for redressal of individual grievance is to adopt such measures as would ensure expeditious settlement of employee grievances leading to increased satisfaction, resulting in satisfactory and harmonious labour/management relations in the Corporation.

The steps to be followed by an aggrieved employee for redressing a grievance will be as follows:

#### STEP-I

An aggrieved employee (which also includes small groups) shall meet the officer designated by the Management for the purpose of handling grievances or the alternate officer designated to handle the grievance in his absence and present to him his grievance in writing in the prescribed Grievance Record Form (Annexure-I). The employee will obtain an acknowledgement receipt in respect of the same from the officer concerned. The employee shall present his grievance within 30 working days from the date on which the facts giving rise to the grievance become known to the employee, except that in respect of complaints relating to promotion, the time limit of two months (60 working days) from the date of notification of such promotion would be allowed. If he so desires, the employee may take the help of a co-employee from his Department (Station in the case of Outstations) while presenting the case at this stage. The Officer concerned may call the aggrieved employee for discussion if deemed necessary. He will, in consultation with the officers of the Personnel Department as indicated below, deal with the grievances.

<b>Officers</b>	<b>Station</b>
Personnel Manager/Industrial Relations Manager	Bombay/Santa Cruz
Deputy Personnel Manager	Delhi
Personnel Officer	Calcutta
Assistant Personnel Officer	Madras

Thereafter he shall record his findings on the Grievance Record Form (Annexure-I) and communicate the decision, if any, to the employee within 7 working days of receipt of the grievance. However, the period for giving his decision in respect of an individual grievance relating to promotion shall be 15 working days from the date of receipt of the grievance. In case the officer concerned is not able to give a decision within the prescribed period due to exigencies of work or for any other extenuating circumstances, he shall, before the expiry of the stipulated period, inform the employees concerned accordingly indicating the reasons for delay and the extended time limit (which shall not exceed a maximum of seven working days in any case) by which a reply would be given to him. In such a case, the officer concerned shall record his findings on the Grievance Record Form and communicate the decision to the employee concerned before the expiry of the extended time limit. When the officer concerned is not able to give a decision in case where a reference to higher authorities is called for, he shall, before

the expiry of the prescribed period forward the grievance alongwith his comments to the authorities mentioned in Step II and inform the concerned employee accordingly.

**STEP-II**

If the aggrieved employee is not satisfied with the decision, if any, of the officer mentioned at Step I or fails to receive an answer within the stipulated period, the reasons for delay not having been communicated to him, he shall present his grievance, in writing, in the Prescribed Grievance Record Form (Annexure II) to the Departmental Head within 7 working days of the receipt of reply at Step I or if no reply is received within the stipulated time prescribed under Step I, within 7 days of the expiry of the stipulated period and obtain an acknowledgement receipt therefore. In cases, where a decision has already been given at Step I, the employee concerned will indicate in the Grievance Record Form (Annexure II) his reasons for re-consideration of his case. If he so desires, the employee may take the help of a co-employee from his Department (Station in the case of Outstations) or the representative of the union representing his category while presenting his case at this stage. The Departmental Head shall call for the Grievance Procedure Form from the Officer at Step I. He may give the aggrieved employee a personal hearing if deemed necessary. He will, in consultation with the Deputy Director of Personnel and Industrial Relations, deal with the grievance. He shall thereafter record his findings on the Grievance Record Form (Annexure II) and communicate the decision to the employee within 7 working days of the receipt of the grievance by him. In case the Departmental Head is not able to give a decision within the prescribed period due to exigencies of work or any other extenuating circumstances, he shall, before the expiry of the stipulated period, inform the employee accordingly indicating the reasons for the delay and the extended time limit (which shall not exceed a maximum of 7 working days) by which a reply would be given to him. In such a case the Departmental Head shall record his findings on the Grievance Record Form and communicate his decision to the employee concerned before the expiry of the extended time limit. In cases where the officer at Step-I forwards the grievance presented in the Grievance Record Form (Annexure-I) along with his comments to the Departmental Head at Step-II, in the circumstances mentioned at Step-I, the Departmental Head shall after going through the case and examining all the relevant facts and discussing the matter with the aggrieved employee, if deemed necessary, record his findings on the said Grievance Record Form and communicate his decision within 7 days of the receipt of the grievance by him from the officer at Step-I subject to the provisions mentioned above.

**STEP-III**

If the aggrieved employee is still not satisfied with the decision of the Departmental Head at Step-II or fails to receive an answer within the stipulated period, the reasons for the delay not having been communicated to him, he may present his grievance in writing in the prescribed form (Annexure-III) to the Chairman and Managing Director (M.D) through the Director of Personnel and Industrial Relations within 7 working days of receipt of reply at Step-II or if no reply is received within the prescribed time limit at Step-II, within 7 working days of the expiry of the stipulated period. In cases where a decision has already been given at Step-II, the employee concerned will indicate in the Grievance Record Form (Annexure-III) his reasons for re-consideration of his case. If he so desires, the employee may take help of a co-employee from his department (Station in the case of Outstations) or the representative of the union representing his category while presenting the case at this stage. The Director of Personnel and Industrial Relations will call for the Grievance Record Form from the Officer at Step-II and after examining the relevant facts of the case discuss the matter with the employee concerned, if deemed necessary. Therefore, he will make a recommendation to the Chairman and M.D. in the matter of the redressal of the grievance within 15 working days of the receipt of the grievance. The Chairman and M.D. will, after examining the facts of the case and the recommendation of the Director of Personnel and Industrial Relations, record his findings on the Grievance Record



Form (Annexure –III) and communicate his decision to the employee within 21 working days of the receipt of the grievance. The decision of the Chairman and M.D. will be treated as final. In case the Chairman and M.D. is not able to give a decision within the prescribed period he will, before the expiry of the stipulated period, inform the employee concerned accordingly indicating the reasons for the delay and the extended time limit (which shall not exceed a maximum of 7 working days) by which a reply would be given to him. In such a case, the Chairman and M.D. will record his findings on the Grievance Record Form and communicate his decision to the employee concerned before the expiry of the extended time limit.

**GENERAL**

- (1) An employee shall present his grievance in the prescribed Grievance Record Form, as provided in the Grievance Procedure mentioned above, in triplicate. The officer concerned will acknowledge receipt of the grievance by signing on the duplicate copy of the Grievance Record Form and return it to the employee concerned. He will also indicate the date of receipt of the grievance in the Grievance Record Form at the appropriate place. After the decision is conveyed to the employee, the copy of the form along with a copy of the reply to the employee will be sent to the Deputy Director of Personnel and Industrial Relations, Santa Cruz, and the original will be retained by the officer concerned.
- (2) If the employee having a grievance is in a grade higher than the grades of the designated Officers mentioned at the various steps in the Grievance Procedure, the aggrieved employee will be free to take up his grievance at the next higher stage within the steps provided above directly so as to ensure that the designated officer redressing the grievance is in a grade higher than that of the aggrieved employee.
- (3) If there is any complaint against any individual member of the staff who is nominated by the Management to handle grievance, the aggrieved employee is free to take his grievance at the next higher stage within the steps provided above, directly.
- (4) If a grievance arises out of an order, the said order shall be complied with before the employee concerned invokes the procedure laid down for redressal of grievances. If, however, there is a time lag between the issue of an order and its date of effect, the grievance procedure may immediately be invoked but the order nevertheless must be complied with, even if all the steps in the grievance procedure have not been exhausted.
- (5) In the case of any grievance arising out of any punishment awarded under the 'Air India Employee' Service Regulations, the aggrieved employee may exercise the right of appeal to the competent authority as provided under the said regulations.
- (6) If it is necessary for any employee to leave his place of work during the working hours for calling on the officer concerned with the redressal of grievance under this procedure, he may do so only after obtaining the prior permission of the immediate supervisor in which case the employee shall not suffer any loss in wages for the time spent on this account.
- (7) Copies of the Grievance Record Form prescribed under the Grievance Procedure mentioned above, will be available in the Administrative Sections of all Departments/Headquarters at Bombay and Santa Cruz. At outstations, copies of the forms will be available in the office of the concerned station head/division head, as the case may be.
- (8) The officer designated by the Management for handling grievance will specify a fixed time during which on any working day an aggrieved employee shall present a grievance only during the pre-determined time so fixed.

## 6.2 HINDUSTAN NATIONAL GLASS INDUSTRIES LTD. AND HINDUSTAN SLANITARYWARE INDUSTRIES LTD.

In HNG and HSW, the operation of grievance machinery has the following steps:

### 1. First Stage

The best opportunity to redress a grievance is to resolve it at the level at which it occurs. Here, the first line managers are assigned a major role:

- (i) This is the interaction level most closely related to the circumstances producing grievance,
- (ii) First line management is more familiar with the workplace problem areas, and so more capable of finding mutually acceptable means of alleviating them,
- (iii) Settlement of a large proportion of grievances in their operating environment mutually by those most immediately concerned goes much further to create a trusting and satisfying work environment,
- (iv) Grievance handling at the shop-floor level gives meaning to the concept of industrial democracy.

*Time limit specified under this stage for giving a decision is two days.*

### 2. Intermediate Stage (Department Head/Personnel Department)

If the grievance is not redressed at the supervisory level, then it is referred to the department head or personnel department. But the first stage is skipped if the grievance is against the first level officer himself or department incharge or it has arisen out of a lay-off, retrenchment, suspension, dismissal action decided upon at higher level. At this level the aggrieved worker is formally permitted to have a union member/office bearer of his choice to assist him in the presentation of his grievance. *Time limit assigned is three days.*

### 3. Joint Committee/Top Management

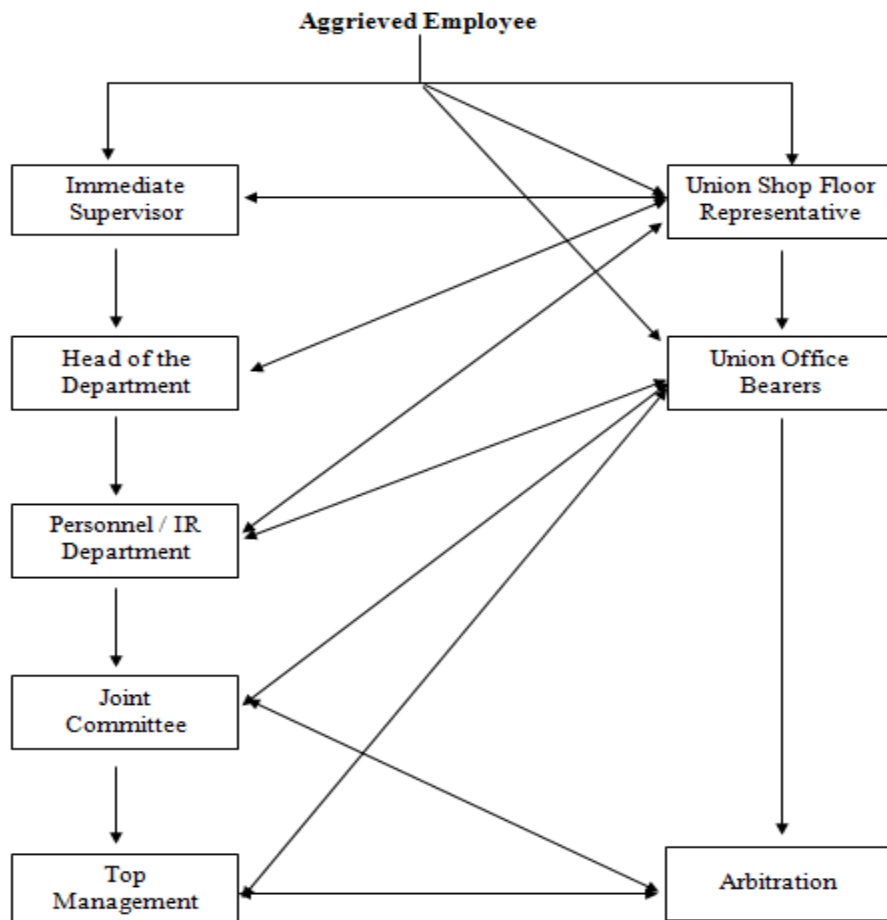
If a grievance is not settled at the intermediate level, it is referred to the Joint Committee of management representatives and union representatives, or to the top management depending upon the case in the two companies. In case of grievances against the interpretation and implementation of collective agreements, the companies have formed a 'Joint Grievance Committee' to settle such cases and the *time limit for redressal of grievance is three days.* At this stage, the grievances sometimes acquired some political importance and the top leadership of the union may also step in formally or informally.

### 4. Third Party Mediation

If the grievance has not been settled bilaterally within the organisation, the certified standing orders of the companies provide for the reference to an arbitrator who may be mutually acceptable to both the parties. The parties agree by negotiation to accept arbitration awards as final and binding and the *time limit is one week.*

The Figure-6a shows the “Grievance Settlement Machinery Model” of the above companies.

### GRIEVANCE PROCEDURE



**Figure 6a:** Grievance Procedure of HNG and HSW

*Source:* Questionnaires and Interviews

### 6.3 INDIAN AIRLINES LTD.

1. A need has been increasingly felt for evolving a procedure for redressal of grievances of individual employees at all levels, in the Corporation. It has, therefore, been decided to introduce a formal grievance procedure as applicable to all, permanent staff on Indian scales of pay. The Grievance Procedure came into effect from November 1, 1981.
2. The salient features of the grievance procedure are as follows:
  - i) It applies to all permanent employees on Indian scales of pay. However, before the formal grievance procedure is invoked, an aggrieved employee shall present his grievance orally to his immediate Supervisor/Section-in-Charge who will settle the grievance within 2 working days of the presentation of the grievance. In the case of a grievance relating to promotions, the time limit is 6 working days. It is only when the aggrieved employee is not satisfied with the reply or if the reply is not furnished within the stipulated time limit that he will be allowed to take up his grievance in accordance with the provisions as set out in the formal grievance procedure.
  - ii) The grievance procedure covers the following types of grievances:
    - a) Payment of Wages

- b) Overtime
  - c) Leave
  - d) Transfer
  - e) Entitlements such as reimbursement of travelling expenses, meal allowance etc.
  - f) Promotion (excluding selection by interview)
  - g) Seniority
  - h) Work assignment
  - i) Officiating appointments
  - j) Working conditions
  - k) Safety appliances
  - l) Loss of tools
  - m) Issuance of monsoon equipment
  - n) Other staff benefits and amenities as applicable.
- iii) It covers individual (group) grievances in cases where the same individual grievance is shared by a small group of employees in the same section or the same category.
- iv) Under the proposed procedure, three steps have been provided for redressal of the grievances as indicated below:

<b>Step No.</b>	<b>Level of Officer dealing with the grievance</b>	<b>Time limit for giving a decision in respect of a grievance</b>
I	Officer formally designated by the Management for the purpose of handling grievances/alternate officer designated for the purpose will deal with the grievance in consultation with the Officers of the Personnel Department as specified in the procedure.	<ul style="list-style-type: none"> <li>a) 7 working days.</li> <li>b) In the case of a grievance relating to promotions, the period is 15 working days.</li> <li>c) If the officer is unable to give a decision within the stipulated period due to exigencies of work or other extenuating circumstances, he shall indicate to the employee the extended time limit (not exceeding 7 working days) by which a reply would be given to him.</li> <li>d) If the officer is unable to give a decision, it being beyond his jurisdiction he shall refer the grievance to the Officer at Step II.</li> </ul>
II	Departmental Head will deal with the grievance in consultation with the Dy. Director of Personnel and Industrial Relations.	<ul style="list-style-type: none"> <li>a) 7 working days.</li> <li>b) If the Departmental Head is unable to give a decision within the stipulated period due to exigencies of work or other extenuating circumstances he shall indicate to the employee the extended time limit (not exceeding 7 working days) by which a reply would be given to him.</li> </ul>
III	The Chairman and Managing	a) 21 working days.

	Director will deal with the grievance on receiving a recommendation from the Director of Personnel and Industrial Relations.	b) If the Chairman and Managing Director is not able to give his decision within the stipulated period he will indicate to the employee the extended time limit (not exceeding 7 working days) by which a reply would be given to him.
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3. At Step No. I, an employee is free to take the help of a co-employee from his department (station in the case of outstations) while presenting his case. At Steps No. II and III, the employee may take the help of a co-employee from his department (station in the case of a outstation) or the representative of the union representing his category while presenting his case.
4. Management hopes that the introduction of the Grievance Procedure will improve staff relations by providing a more formal, speedier and effective machinery for settlement of individual grievances.

#### 6.4 INDIAN OIL CORPORATION LTD.

##### Code of Discipline in Industry with reference to Grievance Procedure

The Code of Discipline in Industry prescribes that it is the responsibility of the Central and State Implementation Units to ensure that a grievance procedure is set up by every management in consultation with their workers. For this purpose, a Model Grievance Procedure was evolved by the Indian Labour Conference (ILC) to guide the parties in drawing up their procedures.

The need for setting up a grievance procedure was reaffirmed at the third meeting of the Heads of Public Sector Undertakings in 1964 wherein it was resolved that:

- a. The Undertakings which have not yet set up a grievance procedure should do so as far as possible within a period of six months.
- b. Where the existing grievance procedure was not in conformity with the model grievance procedure, its working might be reviewed and as far as possible it should be modified so as to incorporate the essential features of the model grievance procedure.
- c. In the framing of grievance procedure, the Undertakings should consult the workers' organisation concerned.

##### OBJECTIVE

The main objective to have such a grievance procedure is to solve expeditiously the grievances of the employees and also to regularise the channelisation of the grievances.

##### SCOPE OF GRIEVANCE

Complaints affecting one or more individual workmen in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignment or working conditions will constitute grievances and will come under the scope of the grievance procedure.

Grievances arising out of the punishment, discharge or dismissal of workmen will not be subject to the grievance procedure. These cases will be governed by the Standing Orders or the CDA Rules, as the case may be.

Points of disputes which are of a general applicability or of a considerable magnitude will fall outside the scope of grievance procedure.

##### PROCEDURE FOR HANDLING GRIEVANCES

An aggrieved employee shall take up his grievance immediately or in any case within a period of 3 months of its occurrence, orally with his immediate supervisor at the unit. If he is not

satisfied with the oral explanation by the supervisor, his grievance shall be recorded in writing and presented to his Departmental Head through his immediate supervisor.

If the grievance is not satisfactorily redressed, the aggrieved officer shall submit his grievance in writing, which shall be in triplicate (first copy to his Departmental Head, second copy to the Unit or Central Grievance Committee as per the jurisdiction of the case and the third copy to be retained by the Officer himself).

The Departmental Head shall record his comments on the copy of the grievance received by him and forward the same to the member-Secretary of the Unit or Central Grievance Committee, as the case may be.

The Unit or Central Grievance Committee shall meet as often as required and after thorough examination of the grievance and all relevant facts of the case, shall record its findings and recommendation in the case and forward the same to the deciding authority. If the Unit or Central Grievance Committee cannot come to an unanimous/majority recommendations, the grievance along with the committee's finding shall be forwarded to the deciding authority for his decision.

The deciding authorities for the purpose shall be as follows:

For grievances considered by the Unit - ED/GM of the respective

Grievance Committee

Refinery Unit

- ED (Pipelines)
- GM (R & D Centre)
- GM (HR) (for HQ, CH's Office, Calcutta and Bombay Offices)

For grievances considered by the

- Director (R&P)

Central Grievance Committee

If the aggrieved officer, whose grievance has been considered by the Unit Grievance Committee, is not satisfied with the decision of the deciding authority, he will have the option to appeal to the Director (R&P) whose decision shall be final.

The Unit or Central Grievance Committee shall have the option to interview the aggrieved officer and consult his immediate supervisor, if considered necessary.

After the deciding authority has taken a decision on the case, a copy of the decision will be sent to the grievance committee concerned for its information, who in turn will suitably convey the decision to the aggrieved officer.

A lawful and reasonable order given by the Management shall be complied with even if an officer wishes to raise a grievance in respect of such an order. (Implementation of such an order cannot be kept in abeyance just because an officer has raised a grievance in this respect).

Grievance procedures for workmen are in force at all the refineries. These grievance procedures are largely modeled on the Model Grievance Procedure prepared by the Union Ministry of Labour and Employment.

Grievance procedures for non-workmen and supervisors other than officers, similar to one applicable to workmen, are in force at the refineries except for the following differences:

- i. The representatives of union are not members of the Grievance Committee.

- ii. The Grievance Committee co-opts representatives from the category of employees similar to that of the aggrieved.
- iii. The aggrieved employee can have his case represented by a colleague belonging to his category.

### **6.5 KRISHAK BHARATI COOPERATIVE LTD.**

The following Grievance Settlement Procedure has been introduced for workman upto Grade H1 posted at Plant, Hazira, Surat.

#### **SCOPE**

- This procedure will cover only individual grievances/complaints and will exclude such matters, which falls within the purview of collective bargaining and which matters of general nature.
- Cases of grievance arising out of discharge, dismissal and disciplinary action will also be outside the purview of the Grievance Procedure.
- Individual grievance will, inter-alia, include the following:
  - (a) Payment of wages and other dues
  - (b) Implementation of any condition of employment in any individual case
  - (c) Recovery of dues
  - (d) Working conditions
  - (e) Grant of leave
  - (f) Promotion
  - (g) Medical facility
  - (h) Transfer
  - (i) Seniority

#### **FUNCTIONING**

Although the Grievance Procedure is a multi-level system, attempt will be to settle the grievance at the lowest level.

##### **Stage I**

An aggrieved employee shall first present grievance verbally to his Sectional Head who will discuss the matter with the employee and give a satisfactory reply within 48 hours on presentation of complaint.

##### **Stage II**

If the employee is not satisfied with the decision of the officer at Stage – I or fails to receive an answer within the stipulated period, he shall either in writing through Sectional Head or in person, present his grievance to the Head of the Department. The departmental head shall give his answer within 3 days or the presentation of grievance. If action can not be taken within the period, the reason for delay should be recorded.

##### **Stage III**

If the aggrieved employee is not satisfied with the reply of the Head of the Department, he may through proper channel further appeal to the concerned GM/OD. While forwarding the application of GM/OD, the Departmental head will give his comment thereon and furnish all the relevant papers and previous correspondence. GM/OD will then examine the matter and reply to the applicant within 2 weeks of the receipt of the application. If necessary, GM / OD may

constitute a Committee of Sr. Executives to examine grievance and to give its findings to GM/OD for his consideration / decision.

In calculating the various time intervals, holidays shall not be reckoned.

- There shall be a time limit within which an appeal shall be taken from one stage to another. For this purpose, the aggrieved employee shall within 3 days of receipt of decision at one stage submit his appeal with the authority at the next higher stage, should he feel inclined to appeal.
- If any grievance relates to policy matter, then officer handling the grievance at Stage – I and II should necessarily refer the same to OD through GM (P&A) for his approval before the same is communicated to the employee.
- In all matters, decision of GM/OD will be final.
- During the pendency of the ‘Grievance’ under this machinery, no party shall take up the case with Labour Department or any other external authority.
- While representing the case, an employee may take assistance of any other employee of KRIBHCO.
- An employee shall be responsible for ensuring that he/she follows the proper procedure in representing his/her grievance. In other words, a grievance shall not be examined / considered if the employee has by-passed level of authority at any stage in his/her representation.
- An employee shall bring up his / her grievance immediately or in any case within one month of the grievance arising; otherwise it shall be deemed to be time-barred.
- An employee shall not agitate in any manner regarding any alleged grievance unless, in the first instance, he/she has explored all the avenues open to him/her under this Grievance Procedure.



The Grievance Settlement Procedure adopted in KRIBHCO is shown in Figure 6b.

### KRISHAK BHARTI COOPERATIVE LIMITED

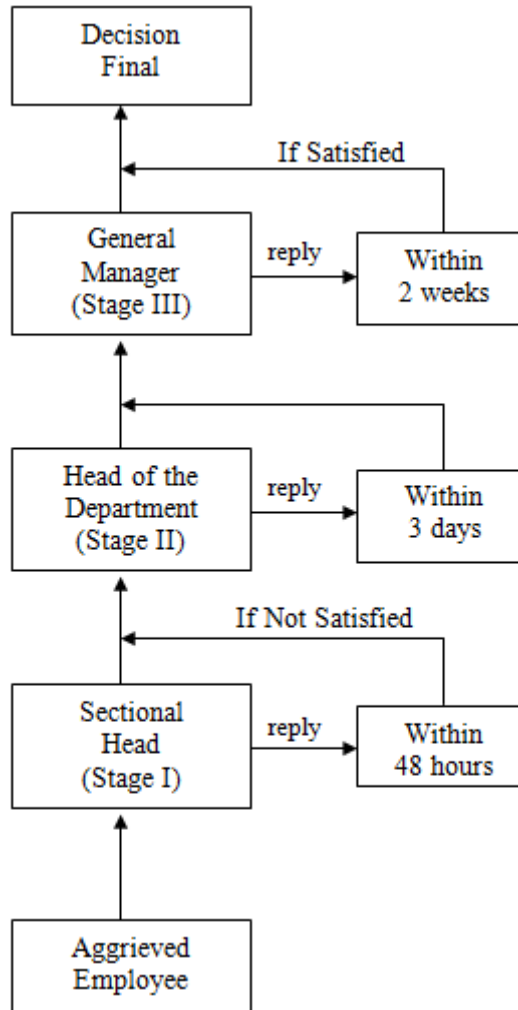


Figure 6b: Grievance Procedure of KRIBHCO

## 6.6 MINERAL METAL TRADING CORPORATION

### TITLE AND COMMENCEMENT

The grievance procedure shall be called “MMTC Employees Grievance Procedure 1999” and came into force with effect from 08.03.1999.

### OBJECTIVE

The objective of the scheme is to provide a systematic mechanism in the organisation for expeditious redressal of grievances of employees of the company leading to increased satisfaction and consequently in improved productivity and efficiency. The scheme will cover all regular employees of the company.

### SCOPE

The scope of the scheme is confined to individual employee’s grievance arising out of:

- Increment
- Recovery of dues

- Working condition
- Allotment of quarter
- Seniority
- Leave
- Transfer
- Pay fixation
- Medical facility
- Interpretation of rules

Matters relating to collective bargaining such as wages, allowances, bonus, hours of work and other benefits etc. promotions and also disciplinary cases, training matter and cases relating to vigilance will be outside the purview of the Scheme.

### **PROCEDURE FOR SETTLEMENT OF GRIEVANCE**

#### **Stage I**

An aggrieved employee will submit his grievance in writing to the Grievance Officer in Form-I (Annexure-III). The decision of the Grievance Officer shall be communicated within 1 week.

#### **Stage II**

If the employee is not satisfied with the reply received from the Grievance Officer or fails to receive any reply within the stipulated period, he may present his case to the Grievance Committee in writing in Form-II (Annexure-IV) indicating non-receipt of reply or the reasons as to why he is not satisfied with the reply received from the Grievance Officer. The decision of the Grievance Committee shall be communicated within 15 days.

### **COMPOSITION OF GRIEVANCE COMMITTEE**

The Grievance Committee at Corporate Office would consist of Director (Personnel) as Chairman of the Committee. Director (Finance) as members and Head of the Personnel Division as member Secretary. The Chairman of the Committee may also associate any other officer in the Committee as may be considered necessary.

The Regional Office Grievance Committee will consist of Incharge of the Region as Chairman, Head of the Associate Finance and Head of one Commodity Division as Members and Head of Personnel Division as Member Secretary. The Regional Head may also associate any other officer as he may consider necessary.

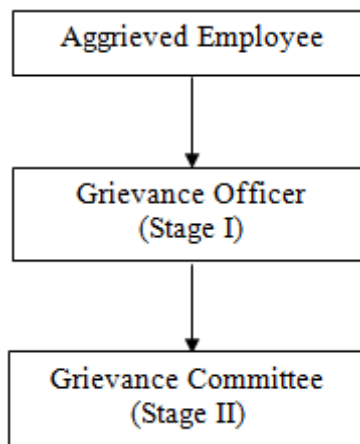
Minutes of the proceedings of the Committee will be maintained. The employee concerned may be given a personal hearing if he so desires. The decision of the Grievance Committee will be communicated to the employee within 15 days by the Member Secretary.

#### **General**

- a. The Grievance Committee at Corporate Office / Regional Office should meet at least once in a fortnight if agenda for consideration is available.
- b. The Grievance Committee will periodically analyse the grievance based on which recommendations to be made for review/amendment to rules and policies.
- c. The resolution / redressal of grievances will be carried out within the framework of the rules and policies approved by the Board.

- d. No aggrieved employee will take up his grievance through channels other than provided for in the scheme either during the pendency of his grievance in any of the above stages or without first completing the recourse to the provisions of the scheme.
- e. If the grievance arises out of an order of the Management, the said order shall be complied with first before the employee concerned invokes the procedure laid down herein above for redressal of his grievance.
- f. The scheme will be reviewed from time to time. Chairman-cum-Managing Director may approve, modify the scheme at his sole discretion. If any doubt or interpretation arises regarding interpretation of any provisions of the Scheme decision of the Chief Managing Director (CMD) will be final and binding.

The Grievance Settlement Procedure is shown in Figure 6c.



**Figure 6c:** Grievance Procedure of MMTC

## 6.7 NATIONAL THERMAL POWER CORPORATION

Employees grievances and complaints which are primarily manifestation of their dissatisfaction against their working conditions, managerial decisions etc. if not promptly attended to, are bound to explode. NTPC management believes in the philosophy of an open door policy in the matter of redressal of grievances, be it collective or individual and an aggrieved employee is welcome to meet his departmental head or the concerned HR Officer (including the Head of HR Department) and discuss his grievances. Nevertheless, in view of the ever-growing size of the industrial organisations and the accompanying complexities and problems the need of formal grievance machinery cannot be under-estimated. Accordingly the following time-bound grievance procedure is laid down for non-executives.

### OBJECTIVE

The objectives of the grievance procedure will be:

1. To settle grievances of the employees in shortest possible time.
2. At lowest possible level of authority.
3. To provide for various stages so that the aggrieved employees derive satisfaction of seeking redressal, if required, even from the highest level of the authority.

### SCOPE

The matters coming under the scope of this grievance procedure which can be invoked by an aggrieved employee are those relating to:

- Wage Payment

- Increment
- Recovery of dues
- Working conditions
- Leave
- Allotment of quarter
- Medical facilities
- Seniority
- Transfer
- Promotion
- Like issues

The matters relating to collective dispute/bargaining such as wages and allowances, bonus, hours of work and other benefits and also cases relating to disciplinary matters will be outside the purview of this grievance procedure.

### PROCEDURE

There will be a three-tier grievance procedure with further provision of appeal, as detailed below:

#### Stage I

1. An aggrieved employee may in the first instance meet his immediate superior officer and present the grievance orally to him.
2. In case he is not satisfied, he can present his grievance in the prescribed Form-I (Annexure-V) to the concerned HR Officer within 15 days from the date on which the act of grievance or complaint arose or came to his notice.
3. The concerned HR Officer after making necessary enquiries will give reply to the aggrieved employee within a time of 10 days.

#### Stage II

1. In the case the employee is not satisfied with the decision communicated to him at Stage-I or fails to receive a reply within stipulated period, he/she may submit his grievance in the prescribed Form-II (Annexure-VI) within a period of 15 days to the Head of Department for the latter's consideration.
2. The aggrieved employee who has filed a Stage-II grievance may be allowed to present his/her case in person, if he/she so desires at this stage.
3. The aggrieved employee will be replied to within three weeks of the receipt of his grievance at Stage-II.

#### Stage III

1. At this stage, the grievance will be looked into by a Grievance Committee, to be constituted by the respective General Managers for the projects/units and by General Manager (HR) for Corporate Centre, consisting of the following:

An executive not below the rank of Sr. Manager or Manager, in case the former is not readily available.	Chairman
An executive of Finance and Accounts Department not below the rank of Accounts Officer.	Member
An executive of Personnel Department not below the rank of Sr. HR Officer.	Secretary

2. If the employee is not satisfied or fails to receive a reply within stipulated period at Stage-II, he may present his grievance for consideration at Stage-III in the prescribed Form-III (Annexure-VII) within a period of one month. The employee concerned may be heard in person, by the Grievance Committee, if it so likes. He may be allowed to be assisted by a coworker before the Committee, if he so desires.
3. The Committee will meet at regular fixed intervals to deliberate upon all such grievances as are addressed to it. During the course of examination the Committee will be assisted, if required, by concerned employee to present facts/records pertaining to the grievance. In the event of difference of opinion among the members of the Grievance Committee, the views of the members along with relevant papers will be placed before General Manager by the Secretary, Grievance Committee for a final decision.
4. The decision of the Grievance Committee will be communicated to the aggrieved employee within 30 days from the date of receipt of the grievance at Stage-III.
5. The Grievance Committee recommendations should be implemented by the Management.

In case of major issues like non-allotment of quarters, grievances arising out of non-promotion etc. a higher time limit of one month from the date of occurrence of the cause of grievance will be allowed and the aggrieved employee will also be allowed to take up the matter at Stage-III directly.

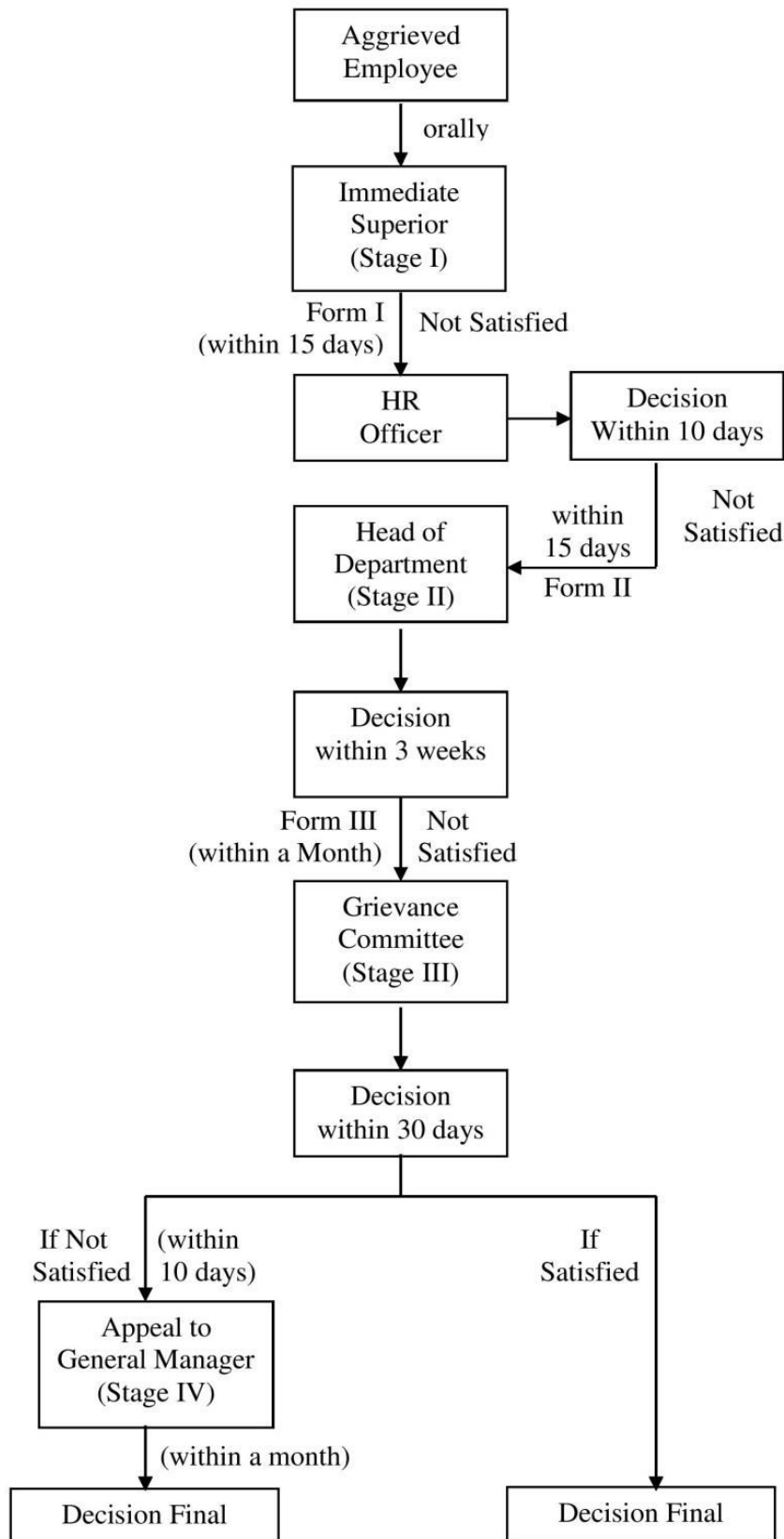
#### **APPEAL**

In case the employee still remains dissatisfied even after Stage-III, he may appeal to the General Manager of the Division within a period of 10 days from the date of receipt of the decision from the Grievance Committee. After the examination and consideration, the decision of the General Manager will be communicated to the aggrieved employee within a month of the receipt of his appeal.

#### **GENERAL**

It would be the endeavor of the Management to ensure speedy implementation of the decision of the Grievance Committee and the General Manager of the Division, as the case may be.

The grievance procedure in NTPC is shown in Figure 6d.

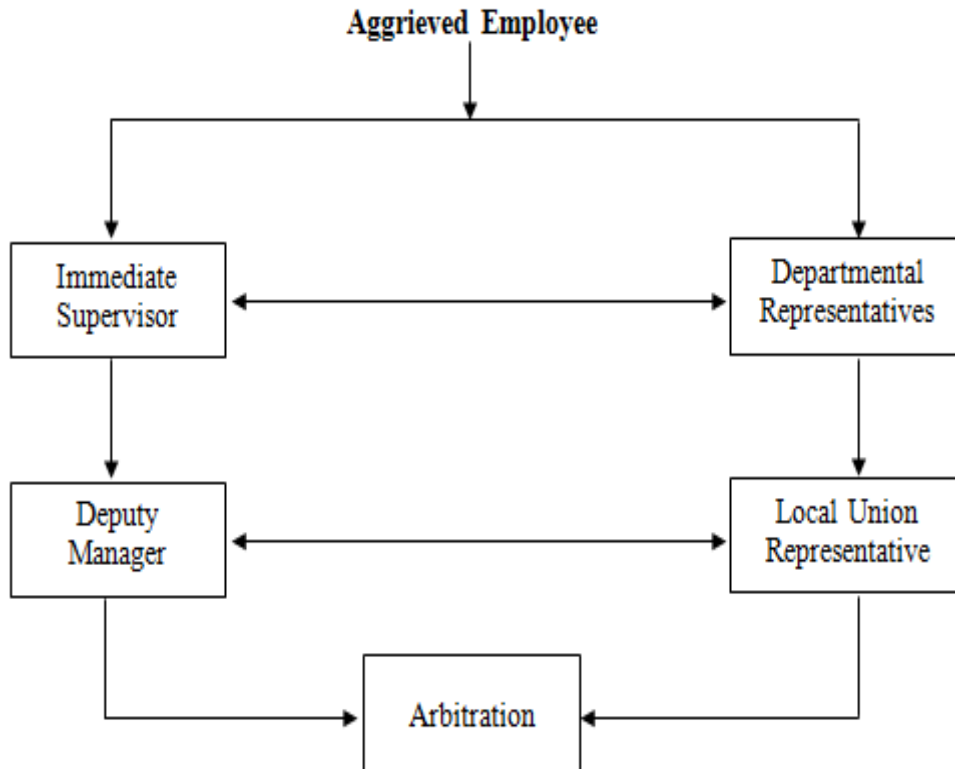


**Figure 6d:** Grievance Procedure of NTPC

### 6.8 PARLE BISCUITS PVT. LTD.

The “Grievance Settlement Machinery Model” in Parle Biscuits Pvt. Ltd. is shown in Figure 6e.

#### GRIEVANCE PROCEDURE



**Figure 6e:** Grievance Procedure of Parle Biscuits Pvt. Ltd.

*Source:* Questionnaire and Interviews

The procedure sets out **three stages** for the redressal of grievances. **Firstly**, on aggrieved employee or workmen can present his complaint in writing to his immediate supervisor or the departmental representative (2 days). If the grievance is not redressed at the first stage, then the grievance is referred to the **second or the intermediate stage** (3 days) where the grievance is referred to the Dy. Manager. At this level, the aggrieved worker is also formally permitted to have a local union representative of his choice to assist him in the presentation of his grievance. If the grievance has not been settled bilaterally within the organisation in the intermediate stage, then the grievance is referred to the **Third Party Mediation** in the third stage where the company provides for the reference to an arbitrator who may be mutually acceptable to both the parties. The parties accept by negotiation to accept arbitration awards as final and binding.

### 6.9 GRIEVANCE PROCEDURE IN SAIL

1. With a work force of over 1.5 lakh in SAIL, grievances, real or imaginary, are bound to arise. Realising the importance of grievance settlement in maintaining industrial peace and harmony and in keeping the employees motivated, SAIL has evolved appropriate machineries and procedure to deal with individual grievances.
2. A three stage grievance machinery is in vogue in the steel plants. Largely, the Grievance Machinery existing in the SAIL Plants, covering the entire gamut of issues affecting employees, is as follows:

**First Stage**

In the first stage, the aggrieved employee presents his grievance to his immediate superior or to the Personnel Officer concerned. The grievance is looked into and a reply is given to the aggrieved employee at the earliest (normally within 5-6 days).

**Second Stage**

If the employee fails to receive a reply to his grievance within the stipulated period or if he is not satisfied with the reply, he may take up the grievance to the second stage viz. the Head of the Department. The Head of the Department looks into the grievance in consultation with all concerned, including the Personnel Officer and may also give a personal hearing to the aggrieved employee, if necessary. The aggrieved employee may utilise the services of a union representative to present his grievance before the Head of the Department. After examining the grievance thoroughly, the Head of the Department gives a suitable reply to the aggrieved employee.

**Third Stage**

If the employee is not satisfied with the reply at Stage – II, he is free to take up the grievance at stage III which consists of a bipartite committee with representatives from the Management and the union. The Management representatives are generally from the department concerned, the Personnel Department, Finance or some other allied department, whereas the workers representatives on the Grievance Committee are nominated by the recognised union.

In some of the plants, there is a **provision for appeal** to the Managing Director/Chief Executive, if the employee is not satisfied with the decision given by the Grievance Committee at stage-III. In such cases the decision of the MD/CE is final as far as the management is concerned and if the employee is not satisfied with the redressal of the grievance, he is free to raise a dispute under the Industrial Disputes Act.

3. Recently, SAIL is in receipt of letters from the Ministry of Steel regarding appointment of 'Grievance Officer' in every plant/unit, whom any employee could approach for redressal of the grievances. It has also been mentioned that the location of the 'Grievance Officer' i.e. room number etc. should be displayed prominently in such offices so that employees are fully aware of the same. [Specified by Ministry vide their Office Memorandum No.39743/9 PLCY/PG-88(7) dated 20<sup>th</sup> September, 1988]. Accordingly, SAIL has nominated 'Central Grievance Officer' at each of its plants/units.
4. The monthly and quarterly reports of the public/staff grievance being received and disposed off are also compiled in SAIL and sent to the Ministry of Steel for their information.

Effective internal grievances redressal machinery exists in SAIL plants and units. The grievance procedure has evolved after sustained deliberations and consent of employees, trade unions and associations. In fact, at Rourkela Steel Plant, the grievance redressal machinery bears its origin and draws strength from a tripartite settlement between Rourkela Steel Plant management and the then recognized trade union under the Industrial Disputes Act, which has laid down the constitution of bipartite grievance redressal committees and the modalities of resolving the grievances raised by the workers through these committees.

The grievances in SAIL plants/units are dealt in three stages and employees are given an opportunity at every stage to raise grievances relating irregularities, working conditions, transfers, leave, work assignments and welfare amenities etc. Such issues are effectively settled through the time-tested system of grievance management. The present system provides opportunity to employees to even approach the Chief Executive directly to seek settlement of grievances. However, majority grievances are redressed informally in view of the participative nature environment existing in the steel plants. *The system is comprehensive, simple and flexible*



and has proved effective in promoting harmonious relationship between employees and management.

The Grievance Procedure of SAIL is shown in Figure 6f.

**STEEL AUTHORITY OF INDIA LTD.**

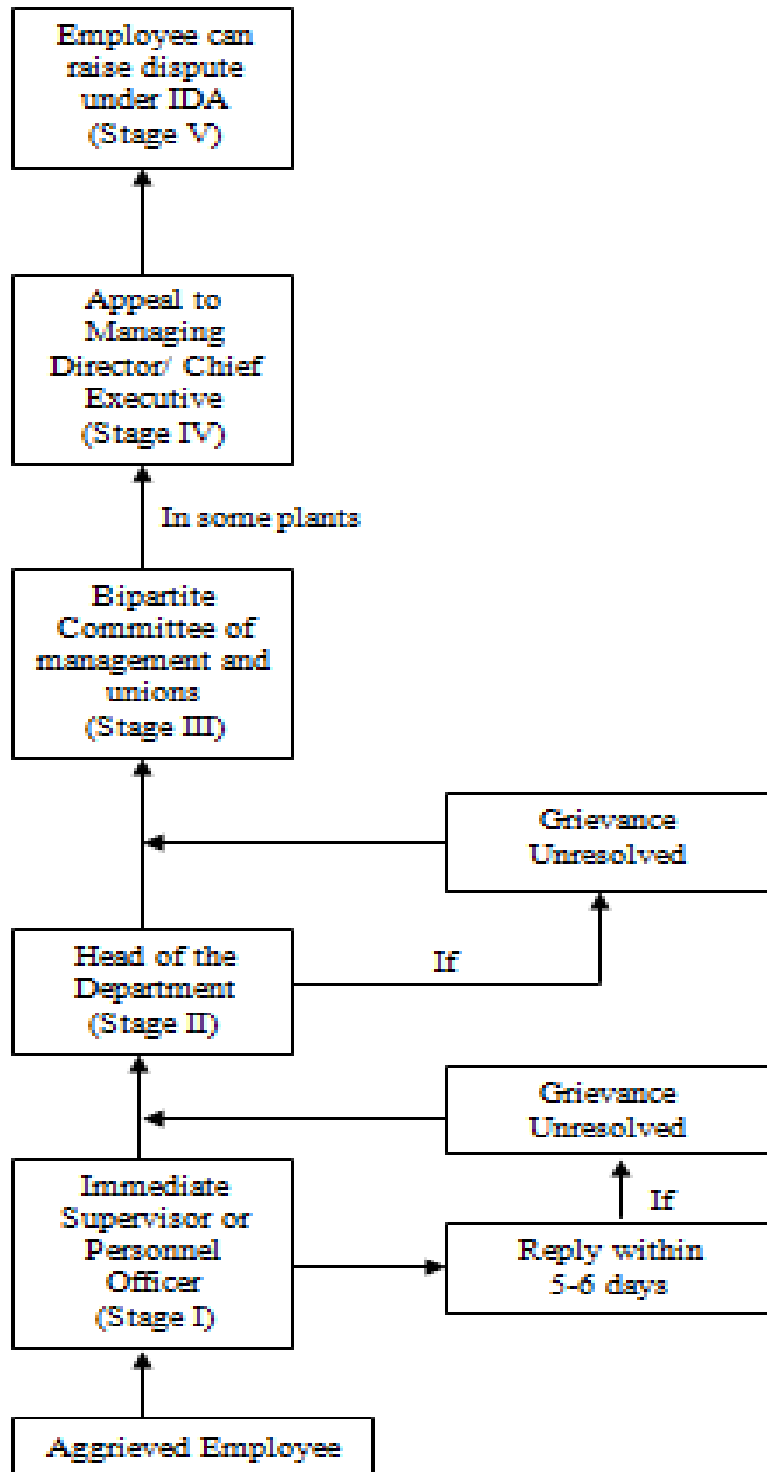


Figure 6f: Grievance Procedure of SAIL

*Chapter - 7*

**Grievance Handling Practices and  
Procedure – Analysis and  
Interpretation of Data**

The grievance procedure and settlement machinery of the 10 sample companies have been studied in detail through structured questionnaires, discussions, personal interviews, office documents and files. It was found that there are wide differences in the grievance procedure, which varies from company to company. Some companies have written grievance procedures patroned after the Indian Labour Conference 'Model Grievance Procedure' and tailored to specific plant conditions.

### SUBJECT MATTER/ISSUES COVERED UNDER EMPLOYEES GRIEVANCES

There is wide gap from organisation to organisation regarding issues and causes of grievances. Organisations are different regarding their working conditions, management style, interpersonal relations, human resource policies and grievance redressal machinery. Some of the issues like wage payments, leave, transfer, promotion, working conditions, work assignment have been mentioned by managers and employees of majority of companies. Some sample companies like SAIL, Parle Biscuits Pvt. Ltd., HNG, HSW have not mentioned specific scope of various issues to be considered as a grievance and leave void open jurisdiction of management, whether to accept it as a grievance or not. Whereas, in some other sample companies, like NTPC, KRIBHCO, MMTC, Indian Airlines Ltd. the issues vary from five to fifteen. Table 7.1 shows subject matter/issues covered under Employees Grievances in different organisations.

**Table 7.1:** Issues Covered Under Employee Grievances in Different Organisations

S.No.	Subject Matter
1.	Payment of Wages
2.	Employment Condition
3.	Recovery of Dues
4.	Working Conditions
5.	Grant of Leave
6.	Promotion
7.	Medical Facility
8.	Transfer
9.	Seniority
10.	Work Assignments
11.	Welfare Amenities
12.	Irregularities
13.	Increments
14.	Allotment of Quarter
15.	Medical Facilities
16.	Overtime
17.	Entitlements such as reimbursement of travelling expenses, meal allowances etc.
18.	Officiating Appointments
19.	Safety Appliances
20.	Loss of Tools
21.	Issuance of Monsoon Equipment
22.	Pay Fixation
23.	Interpretation of Rules

### SOURCES USED TO DISCOVER GRIEVANCES

Different Companies use various methods to discover grievances of their employees/workers as shown in Table 7.2.

**Table 7.2:** Sources Used to Discover Grievances

S.No.	Sources	No. of Companies
(a)	Direct Observation	–
(b)	Grievance Procedure	10
(c)	Gripe Box	–
(d)	Exit Interview	–
(e)	Open Door Policy	6
(f)	Any other	–

*Source:* Questionnaire/Interview

### Analysis

The above table shows that all the 10 companies use grievance procedure but 6 companies use a combination of grievance procedure and open-door policy and 4 companies (Air India, Indian Airlines Ltd., MMTC, NTPC) uses only the grievance procedure to discover grievances of their employees/workers. Other methods like direct observation, gripe box and exit interview which are also very effective sources of identifying grievances, are not used in case of these companies. However, these methods are used to discover grievances of managerial personnel.

### PREFERENCE OF MANAGERS REGARDING THE ORDER OF SEQUENCES OF AUTHORITIES IN GRIEVANCES SETTLEMENT PROCEDURE

Through structured questionnaires, intensive discussions and interviews with a large number of managers, information's about various perception regarding the preference of the order of sequence of authorities in Grievance Settlement Procedure has been obtained and presented in Table 7.3.

**Table 7.3:** Attitudinal Disposition of Respondents (Managers) Regarding the Preference of the Sequence of Authorities in Grievance Settlement Procedure

Preferences / Options	I	II	III	IV	V	VI
Immediate Supervisor	60 (60%)	30 (30%)	10 (10%)	-	-	-
Head of Department	30 (30%)	60 (60%)	10 (10%)	-	-	-
IR Department	-	10 (10%)	10 (10%)	80 (80%)	-	-
Grievance Committee	10 (10%)	-	70 (70%)	20 (20%)	-	-
Top Management	-	-	-	-	-	-
Union Leader	-	-	-	-	-	-

*Source:* Questionnaire / Interview

### Analysis

The table 7.3 reveals that I preference is given to the Immediate Supervisor by 60% of managers, 30% of managers gave him II preference and 10% managers gave him III preference.

30% of the managers have given Head of Department I preference, 60% of managers gave him II preference and 10% of them give Head of Department as III preference.

IR Department is given II and III preference by only 20% of managers (10% in both the cases) and majority of managers (80%) gave IR Department as IV Preference.

In case of Grievance Committee, 10% of managers gave them I preference, 70% of managers gave III preference where as the rest i.e. 20% of managers gave IV preference to Grievance Committee.

#### PREFERENCE OF EMPLOYEES REGARDING THE ORDER OF SEQUENCE OF AUTHORITIES IN GRIEVANCE SETTLEMENT PROCEDURE

The attitudinal disposition of 400 employees/workers regarding the preference of sequence of various authorities in Grievance Settlement Procedure is revealed in Table 7.4.

#### Analysis

The table 7.4 reveals that 60% of employees have given shop-floor union leader as their I preference, 15% of employees have given them II preference where as 12.5% of employees have given them III preference and the rest have given them IV preference.

In case of Immediate Supervisor, 5% of employees (2.5% in each case) has given I and II preference to him. III preference is given by 20% of employees 37.5% of employees gave him IV Preference, 25% of employees gave him V Preference and the rest (12.5%) gave immediate supervisor VI preference as authority in Grievance Settlement Procedure.

**Table 7.4:** Attitudinal Disposition of Respondents (Employees / Workers) Regarding the Preference of the Sequences of Authorities in Grievance Settlement Procedure

Preferences / Options ↓	I	II	III	IV	V	VI
Shop Floor Union Leader	240 (60%)	60 (15%)	50 (12.5%)	50 (12.5%)	-	-
Immediate Supervisor	10 (2.5%)	10 (2.5%)	80 (20%)	150 (37.5%)	100 (25%)	50 (12.5%)
Head of Department	30 (7.5%)	50 (12.5%)	100 (25%)	-	150 (37.5%)	70 (17.5%)
Union Leader	70 (17.5%)	150 (37.5%)	80 (20%)	100 (25%)	-	-
IR Department	20 (5%)	30 (7.5%)	80 (20%)	10 (2.5%)	100 (25%)	160 (40%)
Grievance Committee	30 (7.5%)	100 (25%)	10 (2.5%)	90 (22.5%)	50 (12.5%)	120 (30%)
Top Management	-	-	-	-	-	-

*Source:* Questionnaire / Interview

7.5% of respondents have given Head of Department as their I preference, 12.5% have given II preference, 25% have given III preference, 37.5% and 17.5% of employees/workers have given him as their V and VI preference.

In case of union leaders, I preference is given by 17.5% of respondents, 37.5% have given him II preference, 20% have given III preference and the rest (25%) have given IV preference to union leader.

5% of respondents have given IR Department as their I preference, 7.5% as their II preference, 20% of respondents as III preference, 2.5% have given IV preference, 25% have given V preference and the rest i.e. 40% have given IR Department as VI preference.

In case of Grievance Committee, 7.5% of respondents have given I preference, 25% have given II preference, only 2.5% have given III preference, 22.5% have given IV preference, 12.5% of respondents as their V preference and the rest i.e. 30% have given Grievance Committee as their VI preference.

To the Top Management, none of the respondents have given any preference.

### STAGES OF GRIEVANCE PROCEDURE

The various stages of Grievance Procedure for the redressal of grievances is shown in Table 7.5.

**Table 7.5:** Stages of Grievance Procedure

S.No.	Name of Company	Stage I	Stage II	Stage III	Stage IV	Stage V
1.	Air India	Yes	Yes	Yes	–	–
2.	HNG	Yes	Yes	Yes	Yes	Arbitration
3.	HSW	Yes	Yes	Yes	Yes	Arbitration
4.	Indian Airlines Ltd.	Yes	Yes	Yes	–	–
5.	IOCL	Yes	Yes	Yes	Appeal	–
6.	KRIBHCO	Yes	Yes	Yes	–	–
7.	MMTC	Yes	Yes	–	–	–
8.	NTPC	Yes	Yes	Yes	Appeal	–
9.	Parle Biscuits	Yes	Yes	Arbitration	–	–
10.	SAIL	Yes	Yes	Yes	Appeal	Dispute -IDA

#### Analysis

The above table reveals that different organisations provide different stages of grievance procedure. Though, there is complete unanimity in having a grievance procedure in all the organisations, all the companies have grievances upto Stage II but differences starts from the Stage III. Out of 10 sample companies, eight companies also have Stage III except one company (MMTC) that does not have Stage III and another company (Parle Biscuits Pvt. Ltd.) has the provision of arbitration at Stage III, where decision of the arbitrator is final and binding on both the parties. Only two companies (HNG and HSW) provides Stage IV also, whereas companies like IOCL, NTPC and SAIL have provision for appeal to top management in Stage IV. In two companies, there is a provision for Arbitration at Stage V and in one company (SAIL), there is also a provision that an employee can raise dispute under Industrial Dispute Act in Stage V.

The table also reveals that small, medium and single plant companies provides Grievance Procedure upto Stage III, whereas, big and multiplant companies provides grievance procedure upto Stages IV and V. The reason being that in small companies, number of employees are less and communication and inter-personal relations are more personal. The table further indicates that in small and medium companies, more informal grievance procedure is used than a systematic formal procedure.

### EFFECTIVENESS OF VARIOUS APPROACHES OF GRIEVANCE SETTLEMENT MACHINERY

The perceptions of various respondents (100 managers and 400 employees/workers) regarding the effectiveness of different approaches (legalistic view approach, human relations approach, open-door policy and step-ladder approach) is shown in Table 7.6.

#### Analysis

The perceptions of managers and employees are totally different regarding approaches to Grievance Settlement Machinery. 60% of managers prefer legalistic view approach as they are of the opinion that grievances are those which are defined by the contract and process of dealing with those grievances is clear to all concerned. 40% of the managers prefer step-ladder approach for resolving employees grievances because they don't like that employees supercede and side-

step them. The reason being that, in case of step-ladder approach, the designation of authorities to whom grievances should be presented, the time limit for the disposal of grievances at each step, the manner in which grievances have to be presented-verbally or in writing, or on ordinary paper or on prescribed form etc. are clearly laid down.

Majority of employees prefer open-door policy and human relations approach (62% and 24.5%) for resolving their grievances because they consider themselves to be partners in the organisations and want to be a part of decision making process. 8.75% the employees are in favour of step-ladder approach and only 4.75% employees prefer legalistic view approach.

**Table 7.6:** Perception Of Respondents Regarding The Effectiveness Of Various Approaches Of Grievance Settlement Machinery

S.No.	Approaches/Respondents	Managers		Employees/Workers	
		No.	%	No.	%
1.	Legalistic View	60	60	19	4.75
2.	Human Relations	-	-	98	24.5
3.	Open Door Policy	-	-	248	62
4.	Step ladder	40	40	35	8.75
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>400</b>	<b>100</b>

*Source:* Questionnaire/Interview

#### NESS OF GRIEVANCE MACHINERY

The perception of various respondents regarding the effectiveness of Grievance Machinery in their organisation is shown Table 7.7.

**Table 7.7:** Perception of Respondents Regarding the Effectiveness of Grievance Machinery in Their Organisation

S.No.	Respondents/ Grievance Machinery	Managers		Employees/Workers	
		No.	%	No.	%
1.	Very Effective	10	10	-	-
2.	Effective	40	40	50	12.5
3.	Moderately Effective	30	30	100	25
4.	Ineffective	12	12	200	50
5.	Can't say	8	8	50	12.5
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>400</b>	<b>100</b>

*Source:* Questionnaire/Interview

#### Analysis

The above table reveals that only 10% of managers consider their grievance settlement machinery very effective, where as 40% of them consider it effective, 30% opine that it is moderately effective, 12% of the managers opine the grievance settlement machinery as totally ineffective in redressing the grievances and 8% of the managers did not answer the question regarding the effectiveness of grievance machinery in their organisation.

In case of employees/workers, 12.5% feel that the procedure of redressing grievance is effective, 25% opine that it is moderately effective, 50% feel that the machinery is ineffective in resolving grievances and 12.5% did not answer the question.

The table reveals that the majority of managers respondents feel that the grievance machinery is effective or moderately effective, whereas majority of employees/ workers feel that grievance machinery is moderately effective or ineffective in redressing their grievances in an organisation.

**EFFECT OF GRIEVANCES IN AN ORGANISATION**

Table 7.8 shows the opinions of respondents regarding effects of Grievances in their organisations. In rare unanimity, 100% managers and employees opine that grievances adversely effects the superior-subordinate relations. The table shows that 100% managers are of the same opinion that unattended and unresolved grievances adversely effect and increases the cases of turnover, indiscipline, unrest, accidents, degree of supervision and control and reduces employee morale. The table also reveals the differences of employees regarding the effects of grievances. 75% of employees opine that grievances increases the rate of absenteeism and turnover, 12.5% of employees opine that it increases indiscipline cases 27.5% of employees are of opinion that it increases the incidence of accidents and the rest opine that unresolved grievances leads to reduced level of employee morale.

The table also shows that all the respondents are of the opinion that there should be a voluntary forum and mechanism to resolve their grievances through mutual discussions by adjusting their compromises. Effective grievance redressal machinery has the remarkable ability in creating new and varied procedures for resolving problems as they arise to vax industrial relations.

**Table 7.8:** Attitudinal Disposition of Respondents Regarding the Effect of Grievances in an Organisation

S.No.	Effects / Respondents ↓	Managers		Employees/Workers	
		No.	%	No.	%
1.	Strains Superior-Subordinate Relations	100	100	400	100
2.	Increased rate of Absenteeism and Turnover	100	100	300	75
3.	Increase in Indiscipline Cases	100	100	50	12.5
4.	Increase in the degree of Supervision and Control	100	100	-	-
5.	Increase in Incidence of Accidents	100	100	110	27.5
6.	Reduced Level of Commitment and Sincerity	100	100	-	-
7.	Reduced Level of Employee Morale	100	100	50	12.5
8.	Increase in Unrest	100	100	-	-
9.	Can't Say	-	-	-	-
<b>Total</b>		<b>100</b>	<b>100</b>	<b>400</b>	<b>100</b>

*Source:* Questionnaire/Interview

**TIME GAP BETWEEN DIFFERENT STAGES OF GRIEVANCE PROCEDURE**

Table 7.9 provides valuable information about the differences in time gap between different stages of a Grievance Procedure.

Time taken from one stage to another stage and from one company to another company varies from 2 days to 30 days. Companies like HNG, HSW, KRIBHCO, Parle Biscuits Pvt. Ltd. provides 2 days/48 hours for the redressal of grievances at Stage I. One company, SAIL provides 5-6 days, whereas NTPC provides 10 days, Air India and Indian Airlines provides 15 days with an extended time period of 7 days in cases relating to promotions.

At Stage II, the time period/gap varies from 3 days to 3 weeks. In HNG, HSW, KRIBHCO, Parle Biscuits, the time period provided at Stage III is 3 days, in MMTC the time limit is 15 days, and in NTPC it is 3 weeks. In two companies, Air India and Indian Airlines Ltd., the time period provided at Stage II is 7 days with a provision of extended time period of 7 days in cases relating to promotions.



In Stage III, the time period between various companies varies from 3 days to 30 days. Two companies, HNG and HSW provide time limit of 3 days, in KRIBHCO it is 2 weeks, Air India and Indian Airlines provides 21 days with 7 days grace period.

At Stage IV, the time period varies from 1 week to 1 month. Only two companies, HNG and HSW provides the time period of 1 week and in NTPC, it is 1 month.

No time limit is specified at Stage V in any of the sample company. IOCL does not provide any time limit in all the stages. The table also provides an important information that longer the period in handling grievances, employees become restless and may, in some cases, approach unions. Such delay becomes the potent weapon to disturb the harmonious relations as popular saying '*Justice delayed is Justice Denied.*'

**Table 7.9:** Time Gap between Different Stages of Grievance Procedure

S.No.	Name of Company	Stage I	Stage II	Stage III	Stage IV	Stage V
1.	Air India	15+7 Days	7+7 Days	21+7 Days		
2.	HNG	2 Days	3 Days	3 Days	1 Week	No Time Limit
3.	HSW	2 Days	3 Days	3 Days	1 Week	No Time Limit
4.	Indian Airlines Ltd.	15+7 Days	7+7 Days	21+7 Days		
5.	IOCL	No Time Limit is Specified				
6.	KRIBHCO	2 Days	3 Days	2 Weeks		
7.	MMTC	1 Week	15 Days			
8.	NTPC	10 Days	3 Weeks	30 Days	1 Month	
9.	Parle Biscuits	2 Days	3 Days	No Time Limit		
10.	SAIL	5-6 Days	No Time Limit is Specified			

### OBJECTIVES OF GRIEVANCE HANDLING MACHINERY

To know the main objectives of grievance settlement machinery, four alternatives were enlisted to solicit opinions, which are shown in the Table 7.10

#### Analysis

The managers are of the opinion that grievance procedure cannot have only one objective. The grievance procedure should restore the employees confidence and satisfaction in the machinery which should also assist the line managers to be effective in resolving and preventing the grievances. So, all the 100 managers opine that all the four objectives are important and relevant to an effective grievance machinery. But, 62.5% of the employees/workers are of the opinion that the grievance procedure has been used to strengthen the authority of line managers, 12.5% are of the opinion that the management tries to improve the relations between the concerned parties, 15% opine that the employees/workers satisfaction should also be kept in mind while redressing a grievance, and 10% did not answer the question.

**Table 7.10:** Perceptions of Respondents about the Objectives of Grievance Settlement Machinery

S.No.	Objectives/Respondents	Managers		Employees/ Workers	
		No.	%	No.	%
1.	To strengthen line Authority	100	100	250	62.5
2.	Improve Mutual Understanding	100	100	50	12.5

	between the Complainant and the Supervisor				
3.	To Establish Natural Justice	100	100	-	-
4.	To Prevent Dissatisfaction	100	100	60.	15
5.	Can't say	-	-	40	10
	Total	100	100	400	100

Source: Questionnaire/Interview

### NATURE OF GRIEVANCES

The various perceptions of respondents regarding the nature of Grievances is revealed in Table 7.11

**Table 7.11:** Perception of Respondents about the Nature of Grievances

S.No.	Nature of Grievance	Managers		Employees/ Workers	
		No.	%	No.	%
1.	Valid/Real/ Factual	5	5	320	80
2.	Unfair/ Unjustified	55	55	-	-
3.	Disguised	5	5	-	-
4.	Complaint	25	25	-	-
5.	Misunderstanding	6	6	80	20
6.	Frivolous	4	4	-	-
	Total	100	100	400	100

Source: Questionnaire/Interview

### Analysis

The above table reveals that perception of managers and employees are different towards each other. Only 5% manager consider grievances as real whereas 80% of employees consider their grievances real. 55% managers consider grievances as unfair and unjustified, whereas none of the employee consider their grievances as unjustified. The table also reveals the wide gap in perception of management and employees relating to other nature of grievances. This wide gap in perception affects the effectiveness of grievance handling machinery.

### TYPE OF GRIEVANCE SETTLEMENT MACHINERY

The perception of respondents regarding the preference of the type of Grievance Settlement Machinery is Shown in Table 7.12.

**Table 7.12:** Perception of Respondents Regarding the Preference of the Type Of Grievance Settlement Machinery

S.No.	Type of Grievance Machinery	Managers		Employees/ Workers	
		No.	%	No.	%
1.	Open-Door Policy	10	10	200	50
2.	Step-Ladder Approach	60	60	50	12.5
3.	Combination of (1) and (2)	30	30	150	37.5
4.	Can't Say	-	-	-	-
	Total	100	100	400	100

Source: Questionnaire/Interview

The above table reveals that only 10% of managers are of the opinion that their organisation should preach open-door policy for handling grievances whereas majority of them (60% managers) are of the view that it should be step-ladder approach. 30% of manager opine that it should be combination of both, open-door and step-ladder, depending on the type of subject matter of grievances and the person against whom such grievance is.

Employees have different perceptions and 50% of them favour open-door policy, 12.5% favour step-ladder approach, whereas 37.5% favour combination of the two (open-door and step-ladder).

*Chapter - 8*

**Conclusions and  
Recommendations**

Workplace harmony is a desire of managers and employees alike. Most people look forward to coming to work and value work relationships that are built on common interests, trust and individual recognition.

Good supervisors and managers work to create just such an atmosphere within their work units. The organisation is made up of many individuals with various needs and temperaments. Therefore, even within the most well-managed departments, managers and employees may face misunderstandings, disagreements and dissatisfaction from time to time.

It is recognised that employees may experience job-related problems or complaints from time to time. It is in the best interest of both the management and the employee to resolve these matters as soon as possible at the lowest possible level before they become a formal grievance.

There was a time when machines, money, materials and marketing were given more importance than Man. In the order of hierarchy, man came the last. In the beginning of **Industrial Revolution**, men were known as 'wage slaves'. But it has travelled a long distance and lot of water has fallen from Gange's river since then. During this period 'Man' has known as 'wage slave' to 'servant – worker – employee – man power – human resource - partner and now the member of organisation family'. This could be possible because a large number of Sociologist, Psychologist, Anthropologist and human behaviourists in their various research studies proved that 'Man' is not a dead resource, but he has emotions, feelings, sentiments, he has expectations, aspirations, hopes, he has likings, dislikings, he can act, react on certain behaviour, he can be happy, contented, satisfied and he can also be unhappy, disturbed, discontented and dissatisfied and hence can have grievances in personal, family, and organisational life.

When inter-personal behaviour within the organisation is based heavily on enforcement, complaints will inevitably arise from too rigid adherence to rules or from excessive penalties for violation.

In a world in which information, raw materials, money and technology move freely across corporate and national borders, the bulk of an organisation's assets are inter-changeable with those of any other organisation. The same basic tools are available to an organisation whether it is New York or Delhi. Only one asset holds the power to differentiate in the environment: a dedicated, productive and innovative workforce. No longer can organisation afford to devalue and demoralise their workers to succeed at the expense of those who help make success possible.

At the heart of success are organisations and employees thriving together as fully participating partners. Many companies are coming face-to-face with a fundamental truth – today the success of organisation is directly linked to the development, commitment and full participation of all employees. Only organisations that gain the trust, respect and commitment of those employees can hope to keep pace with their competitors.

*“Key to success is its positive relationship with its employees”.*

When a matter is a grievance the responsibility for a solution lies legally, procedurally and ethically with the employer.

When discipline is based heavily on enforcement, complaints will inevitably arise from too rigid adherence to rules or from excessive penalties for violations. But discipline related problems are not the most frequent sources of grievances. Dissatisfactions leading to grievances can come from almost anywhere. Complaints about discrimination and favoritism in work assignments, work standards, or physical working conditions are frequent sources of grievances. It is important to remember, though that anything about which an employee is dissatisfied can

lead to a serious grievance. Grievances need not necessarily be based on real problems; they can be the result of misunderstandings.

If a positive climate exists, in which there is considerable trust between employees and manager, dissatisfaction rarely turns into grievances.

A good grievance procedure begins with the manager making it a point to be actively looking for signs of possible sources of dissatisfaction, and by noticing changes in employee behaviour which signal that a problem may exist. This often makes it possible to handle a situation when it is still easy to resolve. Positive and effective grievance prevention requires, besides the positive discipline steps discussed previously in this section, a few steps which will assure that the best possible solution to the problem is found.

Any employee who is aware of or suspects fraud, dishonesty, deception, or other problems is encouraged to discuss such a matter first with his/her immediate supervisor.

The relatively important findings and conclusions of the study are summarized as follows:

1. The contents and scope of Grievance Machinery vary considerably from company-to-company. Different companies have covered different subject matter/issues of grievances depending on their historical and organisational perspective. Some companies like HNG, HSW, Parle Biscuits Pvt. Ltd., have not mentioned specific scope of various issues to be considered as grievance and leave void open jurisdiction of management, whether to accept it as a grievance or not. In some sample companies like NTPC, KRIBHCO the issues vary from five to fifteen.
2. All the 10 companies use formal grievance procedure for discovering Employee Grievances. 6 companies also use the open-door policy where an employee can express his feelings openly about any work related grievance to officials/managers. Employees of 4 companies of MMTC, NTPC, Air India and Indian Airlines have no open-door policy system. The other methods of discovering grievances like Direct Observation, Gripe Box, Exit Interview, which are also very effective sources of identifying grievances, are not used in any of the companies.
3. Legislative Framework only indirectly deals with the redressal of individual grievances. Various Acts like Industrial Employment (Standing Orders) Act, 1946; Factories Act, 1948; Industrial Dispute Act, 1947 don't provide specific grievance procedure. These Acts provide for the settlement of grievances by different authorities but lacks specific provisions for the establishment of grievance settlement authority. In the absence of legal provisions, different organisations have different grievance settlement machinery.
4. The general perception of the managers regarding the grievance settlement authority is that the employees/workers should approach to their immediate superior in case of any grievance. On the other hand, the majority of employees/workers either approach to the shop-floor union leader or the head of the department in the first stage. In one of the sample company (NTPC), an aggrieved employee will first present / discuss his grievance orally to the immediate supervisor and if his grievance is not redressed, only then he initiates the process of formal grievance procedure. Some sample companies (MMTC, NTPC, and Air India) are very particular in following formal grievance procedure and aggrieved employee submits the grievance in writing in the prescribed form only.
5. In the absence of legislative framework in India, which binds an employer to provide for any statutory procedure for looking into individual grievances in an establishment, different organisations have evolved different grievance procedures. Some of the sample companies have formulated grievance redressal procedure largely patterned after the Indian Labour

Conference “**Model Grievance Procedure**” which evidently seems to have been tailored to respond to specific plant conditions. Some other organisations have formulated grievance redressal procedures based on the requirement of the organisation. In some sample companies there are two stages, in others there are three to five stage grievance procedures. In some companies there is a provision of arbitration in the fifth stage, where as in some other, decision of the Grievance Committee at stage three is binding on the parties concerned.

6. There are three approaches reflecting the attitude of management and employees in handling grievances like Legalistic View Approach, Human Relations Approach and Open-door or Step-ladder Approach. The perceptions of the management and employees regarding the effectiveness of the various approaches of grievance settlement are different. Managers in sample companies prefer stepladder procedure and legalistic approach whereas employees prefer human relations approach and open-door policy. Employees are of the view that even the grievances outside the scope of service contract should also be looked into with human face.
7. There are different perceptions of respondents (100 managers and 400 employees) regarding the effectiveness of Grievance Machinery in their organisation. Only 10% of managers consider their grievance settlement machinery very effective, whereas 40% of them consider it effective and 30% opine that it is moderately effective, 12% of managers feel that the machinery is ineffective in resolving grievances and 8% of managers were not sure about their response. In case of employees/workers 12.5% feel that the procedure is effective, 25% opine that it is moderately effective, 50% feel that the machinery is ineffective in resolving grievances and 12.5% did not answer the question.
8. It is a well-known fact that happy, contented and satisfied employee is a great asset to an organisation whereas unhappy, discontented and dissatisfied employee is a great liability.

All the respondents (manager) are of the opinion that grievances have adverse impact on work, discipline, absenteeism, quality of production, accidents, organisation at peace, harmonious relationship between employer and employee, commitment and sincerity of employees at workplace. Though this cannot be substantiated by statistical data as most of the organisation maintains no such records, but on the basis of questionnaire and intensive interviews, it has been observed by the researcher that unattended grievance creates stress and strain in the mind of employee.

9. Time gap between different stages of Grievance Procedure varies from company to company and from stage to stage. In some sample organisations the time provided in first stage varies from 2 days to 15 days. In second stage, the time varies from 3 days to 21 days. In stage third, it varies from 3 days to 30 days and in stage fourth from 1 week to 1 month. In some sample organisations like HNG, HSW, KRIBHCO time schedule is strictly followed for redressal of grievances whereas others like SAIL, IOCL the time gap is flexible.
10. Mature and responsible union leader play the most important part in resolving the grievance of employees. They give them the confidence to present complaints, assist them in building up and processing their cases, protect the employees from being victimized and negotiate settlements that impose obligations upon the management. But, on the other hand, immature and irresponsible union leaders become a grievance producing, stirring up the employee problems as a matter of strategy to bring pressure on the management to redress the grievances. An aggressive union representative is able to create number of grievances out of one or none existed.

During the course of field-work for the present study, it was observed on numerous occasions that unions play both constructive as well as negative roles in resolving grievances. In most of the organisations, the normal channel or procedure is not followed. Instead of appreciating the sincere efforts of some of the front-line managers and the interest of the concerned employees to settle grievances bilaterally, they perceive it as a management tool to frustrate unionism and employees dependency on union leadership. In some companies where office bearers of the unions are completely 'keep off' from their duties, they thrive on keeping grievances unsettled for long to secure various concessions from the management and keeping the grieved worker in the union.

11. Over the decades to ensure industrial peace, settlement of employees grievance has emerged as the principal component of employer-employee relations. The role of grievance machinery in 'conflict management' is found very significant as conflicting perceptions are resolved by dialogue, discussion and interaction. The cardinal value of grievance procedure stems from its proven ability to provide method for the regulation of conditions of employment by such segments as are directly concerned. All the respondents (100 managers, 400 employees/workers) belonging to the sample organisations look upon grievance machinery a very effective method to resolve their day-to-day conflicts. They are also of the opinion that managing grievance in most of the cases leaves little or no ranker or ill-will behind and creates on the other hand, an environment of harmony and cooperation. This helps in cementing a long-term understanding and cooperation between the worker and the management. To management also, the grievance procedure provides a means *"to keep check on relevant diagnostic data on the state of the organisation's health."*
12. The perceptions of the management and employees regarding the effectiveness of the various components of grievance settlement are different. Managers in sample companies prefer step ladder procedure whereas employees prefer open-door policy and also combination of step-ladder and open-door policy. However, the main function of the grievance procedure in some cases is on the one hand to strengthen the employees, commitment to work and prevent, on the other hand, latent, individualistic or petty groups or faction dissatisfaction snowballing into collective industrial disputes. In such companies, effective grievance procedure has been used as a device to order workplace relations to maintain organisational peace and harmony.
13. A grievance may result from an action, omission, situation or decision which is unfair, unjustified or a violation of rights. The term "grievance" derives from 'grief' and implies the suffering of detriment. However there are lot of confusion because not all matters that are raised constitute a complaint and not all complaints meet the requirements of a grievance. In such situation the outcome of complaint resolution creates more problem then it is designed to solve. Too many employees are further aggrieved, harassed and traumatized when grievance processes fail to deliver expected outcomes.

The cynicism amongst workers that the employer can't be trusted and the process does not work is reinforced. Generally managers groan and brace themselves when a workplace behaviour or conduct matter is reported. They know that they are in for a time consuming process fraught with difficulty. Some managers avoid getting involved and hope that by ignoring it, the problem will go away. Further, providing a grievance procedure for matters that are not grievance procedure for matters that are not grievances may be counter productive to effective management and resolution. In these circumstances complaints tend get upset if the complaint manager 'de-escalates' their complaint to an appropriate level and recommends resolution through problem-solving rather than investigation or disciplinary action.



Where justice is the objective, parties are interested in redress and restoration. The organisation has a responsibility to ensure that both process and outcome are just for all parties. Attention must be paid to restorative justice, particularly if the parties will continue to work together as it reduces the like lipoid action aimed at retribution or payback.

14. The number of levels for dealing with grievances varies from stage two to stage five and has no relationship with the number of workers employed. Clear demarcation of the levels in the procedure is also lacking. There is no clarity about the types of grievances, which each level would settle.
15. The grievance managers face various problems in resolving matters in a safe, efficient and effective manner observing the requirements of a due process. Some of the problems faced by managers in sample companies are:
  - Lack of clear policy or procedure.
  - Lack of assessment – is this a dissatisfaction, complaint, grievance or dispute.
  - Problem has not been clearly identified.
  - Failure to communicate adequately, accurately with those involved.
  - Failure to seek or follow advice of more experienced personnel or experts.
  - Unrealistic expectations of complaints.
  - Lengthy and drawn out process.
16. The organisation should provide Employee Assistance Program (EAP) which must be clear about the company policies and grievance management processes and EAP's in the process so that unrealistic expectations are not inadvertently reinforced. The complaints will be benefited from the EAP's coaching or rehearsal to voice awareness of the problem in ways that are helpful to successful communication and self-resolution. Self-resolution works best if those involved demonstrate goodwill and recognise their mutual rights and needs which gives the parties full control over determining the outcome, thereby increasing the chances of win-win.
17. Indian organisations are very shy in providing organisational informations to researchers. They keep informations relating to grievances, a close-guarded secret. The researcher faces lot of problems in persuading many managers to provide relevant informations. In most of the organisations one reason of not providing information is that no systematic and formal grievance procedure exist in most of the sample companies. In some organisations (HNG, HSW, Parle Biscuits Pvt. Ltd.) the employees report to the top boss, who very often without consulting the line-supervisors below, give decision on the issue, apart from the fact that such a snap decision is not always objective and correct. It considerably undermines the morale of the line managers. They do not keep any proper records of the number of grievances, oral or written and actual time taken in resolving the grievances. They also do not follow strictly the time limit at different levels for settlement of grievances.

## **RECOMMENDATIONS**

1. The level at which settlement takes place is an index of the climate or the spirit that prevails in the organisation. The lower the level of settlement, the quicker the redressal of a grievance. The concerned supervisor or manager also would be in a position to "give and take" at stage I because at subsequent stages when he comes under the glare of publicity and the notice of his superiors, his position is likely to harden, if only to indicate his stand.

Once parties other than those directly concerned get interested in any event, the situation becomes worse and its solution is hard to find because of vested interest.

2. The legal framework is very weak, as it does not provide any specific and well laid down grievance procedure. Even the Industrial Dispute (Amendment) Act, 1982 that provides for setting up of Grievance Settlement Authority has not been enforced. The various labour laws should be amended and a specific and well laid down grievance procedure must be provided. Such procedure must be legally enforced on all organisations.
3. Grievance Procedure should be widely publicized through house magazines, notice board, workshops and personal contacts. The Grievance Procedure should be in a language understood by employees. In framing Grievance Settlement Procedure, employees/ their representatives should be actively involved. If such procedure is jointly framed, then it will have more acceptability by the employees.
4. Human mind is such that it cannot be 'switch on and off'. When an employee comes in the organisation with grievance, it affects his/her performance. Not only on-the-job grievances but also off-the-job grievances affects the morale of employees in the organisation. Organisations should have 24 hrs relations with the employee instead of only on the job relations. HRM Manager should be good face reader and should closely monitor/observe the behaviour of employees. Instead of waiting for the employee to submit his/her grievance in writing, the managers should know the grievance of employees.
5. The best way to handle grievances is to develop a work environment in which grievances do not occur in the first place. If they occur, they should be resolved at that stage. Such constructive grievance handling depends on the ability of the manager to recognize, diagnose and correct the causes of potential employee dissatisfaction before they become formal grievances. The concerned manager should give a good and full hearing to the employee.
6. The Grievance Settlement Machinery should be equipped to deal with disputes arising from interpretation or implementation of service rules. In every industrial organisation, employing 500 or more employees, a panel of names of grievance arbitrators mutually agreed upon should be maintained and employee must be given a choice to choose any one out of the panel to arbitrate on his grievance. The section 9-C of the Industrial Dispute (Amendment) Act, 1982 should be enforced to provide a Grievance Settlement Authority for the settlement of industrial disputes and individual grievances connected with an individual workman employed in an establishment.
7. There is need to set up an independent and Non-Profit membership associations to promote peaceful relations between employers and employees through research and to conduct an objective enquiry into major or controversial industrial relations policy matters and employees grievances that have a wider impact. There is great need for government official, economist, educationist and union leaders to join hands to form such associations, which will go a long way to promote an effective grievance settlement authority in different organisations.
8. Managers responsible for settlement of grievances at different stages should adhere to the time schedule provided in grievance settlement machinery in the organisations. Delay on the part of managers will give a feeling of neglect and indifference on the part of an employee. Arguments like the 'busy schedule' and 'hands have been tied by management' should not be the answer to maintain the time schedule.
9. The management should permit the employees to correct his mistake without the loss of face or dignity. The employee should be given time to consider the arguments. An objective decision should be taken and circumstances of the case within the framework of

rules and regulations of the organisation. After a decision has been reached on a grievance by the management and the concerned employee, the concerned official should ensure that the decision is carried out expeditiously. Ego clashes should not be allowed to impede the resolution of and implementation of the grievance.

10. Grievances arise from the discontent and dissatisfaction resulting from the modern industrial setting. Hence, these are natural and quite common. These need not be real always sometimes these are imaginary or fancied. These may be conveyed in an expressed form through some negative gestures. Whether real or imaginary, expressed or unexpressed, grievances must be properly attended to and redressed. A formal grievance handling mechanism is a desired thing and a dire necessity. Such a procedure should be simple, flexible and time bound, which depends on the spirit in which the grievance procedure is used. Grievance should not be seen as a battle to be won; but a problem solving. The grievance machinery will be effective in an atmosphere of 'give and take' because it makes possible a compromise solution.
11. When a matter is a grievance, the responsibility for a solution lies legally, procedurally and ethically with the employees. Particular attention should be given to the failure of the grievance management to deliver emotional and psychological satisfaction to those involved to avoid outcomes far worse than the initial complaint. Procedures and practices of grievance settlement need a thorough re-examination. Too many employees are further aggrieved, harassed and traumatised when grievance processes fail to deliver expected outcomes. The cynicism amongst the employees that the employer cannot be trusted and process does not work is re-enforced.
12. From the outset complaints, need to be given clear explanation in suitable language about the roles of the parties and the steps of the process so that they can clearly understand the dynamics of grievance settlement machinery. Secondly, rights and responsibilities of all parties, limits of the process, possible and impossible outcomes must be clearly explained and explored in two way conversation to ensure realistic expectation. Expectation must be checked and realism must reinforced consistently throughout the process. Thirdly, the complaint manager must support and inform the complainant and other parties throughout the process so that they do not disengage or feel abandoned. If they do, the risk is that emotions will escalate and expectations will become unrealistic and unmanageable. No employee should be discriminated or retaliated against or in any way penalised for using the grievance procedure.

Grievances can't be completely eliminated because human personality is very complex and if one grievance is resolved, other will arise. Grievance is an universal phenomenon. Grievances are inevitable, unavoidable and endemic in social, political, economic, religious and industrial society because of man's unique capability to perceive differences in any given situation. Dissatisfaction leading to grievance can come from almost anywhere. Complaints about discrimination and favoritism in work assignments, work standards or physical working conditions are frequent sources of grievances. It is important to remember, though, that anything about which an employee is dissatisfied can lead to a serious grievance.

While grievances can't be eliminated but can be minimized and resolved through a well laid down 'grievance settlement machinery'. A grievance procedure is essential because it brings uniformity in the handling of grievances. Another important aspect of the grievance machinery is the reassurance given to an individual employee by the mere fact that there is a mechanism available to him which will consider his grievance in dispassionate and detached manner and that his point of view will be heard and given due consideration. He gets it 'off his chest' does lot of good to his morale.

**ANNEXURE -I**  
**AIR INDIA**  
**GRIEVANCE RECORD FORM –I**  
**(Prescribed for Presentation of**  
**Grievance at Step –I)**

(To be filled in by the employee)

- 1 Personal particulars of the employee
  - a) Full name (Surname first) :
  - b) Staff No. :
  - c) Designation :
  - d) Department/Section :
  - e) Station :
  
- 2 Brief Statement of the grievance :
  
- 3 Has the employee presented his grievance orally to his immediate Supervisor/ Section-in-Charge prior to his presenting the grievance in Grievance Record Form – I. **YES/NO**
  
- 4 If the reply to item No. 3 above is in the affirmative, the employee may please indicate the following: .....
  - 1) Date of presenting his grievance to the immediate supervisor/section-in-charge. Name:
  - 2) The name and designation of the immediate supervisor/action-in-charge, concerned. Designation:
  - 3) Date on which a decision on the employee's grievance was communicated by the immediate supervisor/section-in-charge. ....

Date : \_\_\_\_\_

**(To be filled in by the Officer at Step-I)**

5 Date of receipt of grievance. \_\_\_\_\_

Signature of the Officer at Step-I

Name:

Designation:

6 Decision of the officer at Step-I (Decision should be conveyed to the employee within seven working days of receipt of the grievance. In respect of a grievance relating to promotion, the time limit for conveying the decision is 15 working days of receipt of the grievance subject to the provisions of the Grievance Procedure). \_\_\_\_\_

Signature of the Officer at Step-I

Date: \_\_\_\_\_

Name:

Designation:

7 Decision/reasons for delay communicated to the employee vide letter no. \_\_\_\_\_ dated \_\_\_\_\_.

Signature of the Officer at Step-I

Date: \_\_\_\_\_

Name:

Designation:

**Note:** The designated officer will acknowledge receipt of the grievance by signing on the duplicate copy of this form and return it to the employee concerned.

**Annexure -II**  
**AIR INDIA**  
**GRIEVANCE RECORD FORM –II**  
**(Prescribed for Presentation of**  
**Grievance at Step –II)**

(To be filled in by the employee)

- 1 Personal particulars of the employee
- a) Full name (Surname first) :
  - b) Staff No. :
  - c) Designation :
  - d) Department/Section :
  - e) Station :

- 2 Brief Statement of the grievance: (The employee will indicate his reasons for re-consideration of his case if a decision has been already communicated to him at Step-I).

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the employee

**(To be filled by the Officer)**

Date of Grievance received:

- 3 \_\_\_\_\_

Signature of Officer

Name:

Designation:

- 4 Decision of the officer at Step-II (Decision should be conveyed to the employee within seven working days of receipt of the grievance subject to the provisions of Grievance procedure).

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature:

- 5 Decision/Reasons for delay communicated to the employee vide letter no. \_\_\_\_\_ dated \_\_\_\_\_

(To be filled in by the Officer at Step II in cases where the grievance is forwarded to him by the Officer at Step-I, in accordance with the grievance procedure).

- 6 Date of receipt of grievance from the officer at Step-I :
7. Decision of the Officer at Step-II. (Decision should be conveyed to the employee within 7 working days of the receipt of the grievance).
- 8 Decision/reasons for delay communicated to the employee vide letter no. \_\_\_\_\_ dated \_\_\_\_\_.

\_\_\_\_\_

Signature of the officer at Step-I.

Name:

Designation:

**Note:** The officer at Step-II will acknowledge receipt of the grievance by signing on the duplicate copy of this Form and return it to the employee concerned.

**ANNEXURE-III**

**AIR INDIA**

**GRIEVANCE RECORD FORM –III**

**(Prescribed for presentation of grievance at Step –III)**

(To be filled in by the employee)

- 1 Personal particulars of the employee
  - a) Full name (Surname first) :
  - b) Staff No. :
  - c) Designation :
  - d) Department/Section :
  - e) Station :
- 2 Brief Statement of the grievance:  
(The employee will indicate his reasons for re-consideration of his case if a decision has been already communicated to him at Step-II).

Signature of the employee

Date: \_\_\_\_\_

\_\_\_\_\_

(To be filled by the Director Personnel & Industrial Relations)

Date of Grievance received:

\_\_\_\_\_

- 3 Signature  
Date: \_\_\_\_\_ Name: \_\_\_\_\_  
Designation: \_\_\_\_\_
- 4 Recommendation of the Director of  
Personnel and Industrial Relations.

Signature

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

- 5 Decision of the Chairman and Managing Director,  
(Decision should be conveyed to the employee  
within 21 working days of receipt of the  
grievance).

Signature of the Chairman &  
Managing Director

Date: \_\_\_\_\_

\_\_\_\_\_



6 Decision/Reasons for delay communicated to the employee vide letter no.  
\_\_\_\_\_ dated \_\_\_\_\_.

\_\_\_\_\_  
Date:  
& Managing Director

Signature of the Chairman

**Note:** The Director of Personnel and Industrial Relations will acknowledge receipt of the grievance by signing on the duplicate copy of this form and return it to the employee concerned.

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**Annexure-IV**  
**FORM I**  
**MMTC LIMITED**  
**MMTC EMPLOYEES GRIEVANCE PROCEDURE**  
(FORM FOR PRESENTATION OF GRIEVANCE AT STAGE I)  
(IN DUPLICATE)

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FROM

TO

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**Name of Employee** : **Employee Grievance Officer**  
Designation :  
Employee No. :  
Section / Division :

Sir,

In accordance with the MMTC Employees Grievance Procedure, kindly permit me to present my following grievance to you for redressal :-

Details of Grievance in brief :

1. Subject matter of Grievance : \_\_\_\_\_.

2. Brief / details of grievance not exceeding one para

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3. Enclose, if need be, complete details of grievance.

Yours faithfully,

(SIGNATURE)

DATED : \_\_\_\_\_ (Name of the Employee \_\_\_\_\_)

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**Note** : The immediate Superior executive will acknowledge the receipt of the grievance by signing on the Duplicate copy of this Form.

**Annexure-V**  
**FORM II**  
**MMTC LIMITED**  
**MMTC EMPLOYEES GRIEVANCE PROCEDURE**  
(FORM FOR PRESENTATION OF GRIEVANCE AT STAGE II)  
(IN DUPLICATE)

FROM

TO

**Name of Employee** : **The Chairman,**

Grievance Committee

\_\_\_\_\_ Office

Designation :

Employee No. :

Section / Division :

Sir,

In accordance with the MMTC Employees Grievance Procedure, kindly permit me to present my grievance to you for redressal. I had submitted my grievance dated \_\_\_\_\_ to the Employee Grievance Officer and have not got a reply till date / am not satisfied with the reply on the grounds mentioned below:

My Grievance:

1. Subject matter of Grievance: \_\_\_\_\_

2. Brief particulars : \_\_\_\_\_

3. Details representation, if any (Enclosed) : \_\_\_\_\_

4. Grounds for appealing to Grievance Committee

1.

2.

3.

Yours faithfully,

(SIGNATURE)

DATED : \_\_\_\_\_ (Name of the Employee \_\_\_\_\_)

**Note** : The immediate Superior executive will acknowledge the receipt of the grievance by signing on the Duplicate copy of this Form.

**Annexure-VI**

**FORM-I**

*NATIONAL THERMAL POWER CORPORATION LIMITED (NTPC)*

**STAGE-I GRIEVANCE**

(To be submitted to HR Officer in duplicate)

These are the forms that are to be filled by the Non-Executives in case of any Grievance. There are different forms for each stage.

Name	:	Pay Scale	:
Employee No.	:	Department:	
Dept. Code No.	:		
Designation	:	Section	:
Grievance & reasons in brief	:		

---

Dated:	Signature of employee
(For use of HR Officer)	

Grievance No.	:	Received on,
Whether interviewed: the employee		Yes/No
Sources & Results of enquiry		
Dated:	Signature of HR Officer	
Replied on		

**Annexure-VII**

**FORM-II**

**NATIONAL THERMAL POWER CORPORATION LIMITED (NTPC)**

**STAGE-II GRIEVANCE**

(To be submitted to the Head of Department in duplicate)

Name : Pay Scale :  
Employee No. : Department :  
Dept. Code No. : Section :  
Designation :  
Ref. No. of Reply to: Grievance Stage-I  
Reasons for appeal :  
Dated: Signature of employee

(For use of Head of Department)

Grievance No. : Received on  
Whether interviewed : Yes/No  
the employee

Sources & :  
Results of enquiry

Dated: Signature of Head of Department

**Annexure-VIII**

**FORM - III**

**NATIONAL THERMAL POWER CORPORATION LIMITED (NTPC)**

**STAGE-III GRIEVANCE**

(To be submitted to Secretary, Grievance Committee in duplicate)

Name : Pay Scale :  
Employee No. : Department :  
Dept. Code No. : Section :  
Designation :  
Ref. No. of Reply to : Grievance Stage-II  
Reasons of appeal :  
Dated : Signature of employee

(For use of Secretary, Grievance Committee)

Grievance No. : Received on  
Result of Stage-I :  
Grievance  
Result of Stage-II :  
Grievance  
Grievance put up in Grievance  
Committee on  
Decision of Grievance  
Committee  
Dated: Signature of Secretary  
Grievance Committee Replied on:

**Appendix-I**  
**QUESTIONNAIRE / INTERVIEW**  
**FOR**  
**MANAGERS**  
**PART – I**  
**PERSONAL PROFILE**

1. Name of the Company :
2. Your name, if you please :
3. Designation :
4. Experience :
5. Department/Section :

**PART – II**  
**GRIEVANCE SETTLEMENT MACHINERY**

1. Is there any Grievance Settlement Machinery in your organisation? **(Yes / No)**
2. Do you know about the Grievance Settlement Machinery in your organisation? **(Yes / No)**
3. Whether your organisation maintains proper record of employee grievances? **(Yes / No)**
4. Have you ever been a member of Grievance Settlement Committee? **(Yes / No)**
5. How do you react when an employee brings grievance to you?
  - a. Accepts the Grievance
  - b. Look into the Matter
  - c. Rejects the Grievance
  - d. Shows Resentment
  - e. Discuss with the Employee
6. Which of the following Grievance Settlement Machinery do you have in your organisation?
  - a. Open-Door Policy
  - b. Step-Ladder Policy
  - c. Combination of the two
7. How do you react when an employee submits a grievance against you?
  - i. Accepts the Grievance
  - ii. Look into the Matter
  - iii. Rejects the Grievance
  - iv. Shows Resentment
  - v. Discuss with the Employee
  - vi. Harass the Employee

8. How do you react when an employee directly submit a grievance to senior officer by side-stepping you?
    - a. Shows Resentment
    - b. Indifferent Attitude
    - c. Harass the Employee
    - d. Oral Protest to Senior Managers
  9. What do you think to whom an employee should approach in case of any grievance? Please indicate in order of preference.
    - a. Immediate supervisor
    - b. Head of the Department
    - c. Personnel / Industrial Relations Department
    - d. Union Leaders
    - e. Grievance Committee
    - f. Top Management
    - g. Third Party
  10. What sources are used to discover grievances in your organisation?
    - a. Direct Observation
    - b. Grievance Procedure
    - c. Gripe Box
    - d. Exit Interview
    - e. Open Door Policy
    - f. Any Other
  11. What are the main objectives of Grievance Handling Machinery (in order of priority)?
    - a. To strengthen line management
    - b. Improve mutual understanding between complainant and supervisor
    - c. To secure natural justice
    - d. To prevent dissatisfaction
    - e. Can't Say
  12. How do you react when an employee rejects your decision in different stages?
  13. Is Grievance Settlement Procedure properly communicated to
    - a. Line Managers
    - b. Union Leaders
    - c. Workers
- If yes, what methods are adopted?
- a. Official Circulars



- b. Company Magazines
  - c. Meetings
  - d. Grievance Committee.
  - e. Direct Communication
14. Is there any time limit at different stages for the settlement of the grievances? **(Yes / No)**  
If yes, kindly mention the time limit provided at different stages
- a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
15. Upto what stage, a Grievance Procedure should be?
- a. I Stage
  - b. II Stage
  - c. III Stage
  - d. IV Stage
  - e. V Stage
  - f. VI Stage
16. Do you comply with the time frame provided in the grievance procedure? **(Yes/No)**
17. Please indicate the effectiveness of the following for the redressal of grievances in order of preference.
- a. Immediate Supervisor
  - b. Head of the Department
  - c. Personnel / Industrial Relations Department.
  - d. Grievance Committee
  - e. Top Management
18. What do you think about the effectiveness of the Grievance Settlement Machinery in your organisation?
- a. Very Effective
  - b. Effective
  - c. Moderately Effective
  - d. Ineffective
  - e. Can't Say
19. Which of the following Grievance Settlement Machinery you prefer.
- a. Open-Door Policy
  - b. Step-Ladder Policy
  - c. Combination of the two
20. Do you think an aggrieved employee is a great liability to an organisation? **(Yes/No)**
21. Do the unions play any role in resolving Grievance of employees? **(Yes/No)**

If Yes, than what it is?

- a. Give confidence to employees to present complaints
  - b. Protect employees from being victimised
  - c. Negotiate settlement of grievances
  - d. Bring pressure on the management to redress the grievance
  - e. Stirring up the employees grievances
  - f. Thrive on keeping grievances unsettled
22. Are you satisfied with the Grievance Settlement Machinery of your organisation? (Yes / No)
23. What do you think, is the effect of grievances on employees, if not identified and redressed in your organisation?
- a. Increased rate of absenteeism and turnover
  - b. Reduced level of commitment, sincerity and punctuality
  - c. Increased rate of accidents
  - d. Reduced level of employee morale
  - e. All of the above
24. What are your suggestions for making Grievance Settlement Machinery more effective? Please indicate in order of preference.
- a. Conformity with Existing Legislation
  - b. Acceptability
  - c. Clarity
  - d. Simplicity
  - e. Promptness
  - f. Follow-Up
  - g. Any Other

**(Researcher)**

**Appendix-II**  
**QUESTIONNAIRE / INTERVIEW**  
**FOR**  
**EMPLOYEES**  
**PART – I**  
**PERSONAL PROFILE**

1. Name of the Company :
2. Your name, if you please :
3. Designation :
4. Experience :
5. Department/Section :

**PART – II**  
**GRIEVANCE SETTLEMENT MACHINERY**

1. Is there any Grievance Settlement Machinery in your organisation? **(Yes / No)**
2. Do you know about the Grievance Settlement Machinery in your organisation? **(Yes / No)**
3. Whether your organisation maintains proper record of employee grievances? **(Yes / No)**
4. Have you ever been a member of Grievance Settlement Committee? **(Yes / No)**
5. Have you ever submitted a Grievance? **(Orally/Writing)**  
If in writing, than to whom?
6. Which of the following Grievance Settlement Machinery do you have in your organisation?
  - d. Open-Door Policy
  - e. Step-Ladder Policy
  - f. Combination of the two
7. You have grievances relating to which of the following:
  - i). Wages
  - ii). Bonus and incentives
  - iii). Dearness and other Allowances
  - iv). Increments
  - v). Promotions
  - vi). Transfers
  - vii). Absenteeism
  - viii). Overtime
  - ix). Plant Rules and Regulations
  - x). Working Conditions
  - xi). Nature of the Job
  - xii). Supervision
  - xiii). Disciplinary Action
  - xiv). Any other
8. Whom do you approach in case of any grievance? Please indicate in order of preference.
  - a. Immediate supervisor

- b. Head of the Department
  - c. Personnel / Industrial Relations Department
  - d. Union Leaders
  - e. Grievance Committee
  - f. Top Management
  - g. Third Party
9. What sources are used to discover grievances in your organisation?
- a. Direct Observation
  - b. Grievance Procedure
  - c. Gripe Box
  - d. Exit Interview
  - e. Open Door Policy
  - f. Any Other
10. What are the main objectives of Grievance Handling Machinery (in order of priority)?
- a. To strengthen line management
  - b. Improve mutual understanding between complainant and supervisor
  - c. To secure natural justice
  - d. To prevent dissatisfaction
  - e. Can't Say
11. Is Grievance Settlement Procedure properly communicated to
- a. Line Managers
  - b. Union Leaders
  - c. Workers
- If yes, what methods are adopted?
- a. Official Circulars
  - b. Company Magazines
  - c. Meetings
  - d. Grievance Committee.
  - e. Direct Communication
12. Is there any time limit at different stages for the settlement of the grievances? (Yes / No)
- If yes, kindly mention the time limit provided at different stages
- a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_

- d. \_\_\_\_\_
13. Upto what stage, a Grievance Procedure should be?
- a. I Stage    b. II Stage
- c. III Stage    d. IV Stage
- e. V Stage    f. VI Stage
14. Please indicate the effectiveness of the following for the redressal of grievances in order of preference.
- a. Immediate Supervisor
- b. Head of the Department
- c. Personnel / Industrial Relations Department.
- d. Grievance Committee
- e. Top Management
15. What do you think about the effectiveness of the Grievance Settlement Machinery in your organisation?
- a. Very Effective
- b. Effective
- c. Moderately Effective
- d. Ineffective
- e. Can't Say
16. Which of the following Grievance Settlement Machinery you prefer.
- a. Open-Door Policy
- b. Step-Ladder Policy
- c. Combination of the two
17. Do you think an aggrieved employee is a great liability to an organisation? **(Yes/No)**
18. Do the unions play any role in resolving Grievance of employees? **(Yes/No)**
- If Yes, than what it is?
- g. Give confidence to employees to present complaints
- h. Protect employees from being victimised
- i. Negotiate settlement of grievances
- j. Bring pressure on the management to redress the grievance
- k. Stirring up the employees grievances
- l. Thrive on keeping grievances unsettled
19. Are you satisfied with the Grievance Settlement Machinery of your organisation? **(Yes / No)**
20. What do you think, is the effect of grievances on employees, if not identified and redressed in your organisation?

- f. Increased rate of absenteeism and turnover
  - g. Reduced level of commitment, sincerity and punctuality
  - h. Increased rate of accidents
  - i. Reduced level of employee morale
  - j. All of the above
21. What are your suggestions for making Grievance Settlement Machinery more effective?  
Please indicate in order of preference.
- a. Conformity with Existing Legislation
  - b. Acceptability
  - c. Clarity
  - d. Simplicity
  - e. Promptness
  - f. Follow-Up
  - g. Any Other

**(Researcher)**

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**Dr. Supriya Chhikara**, is an Associate Professor in Maharaja Surajmal Institute, an affiliate of Guru Gobind Singh Indraprastha University. She has a brilliant academic career. She obtained her Master degree in Commerce from Department of Commerce, Delhi School of Economics and M.Phil degree from Department of Business Economics, South Campus, University of Delhi. She did her Ph.D in 2006 from Maharshi Dayanand University, Rohtak in the area of Human Resource Management. She has a long experience of teaching both graduate and postgraduate courses. She has also published various research papers in National and International Journals and Conferences, workshop, Seminar etc. Her area of specialization includes organizational behavior, industrial relations and human resource management.

## ABOUT THE BOOK

A common impression of labour management relations is that they are generally unsatisfactory. Organizations are made or broken not by competition, technology, market and finance but by its people. Happy, satisfied, contented employees are the greatest and most invaluable assets in any organization. An unhappy, dissatisfied and discontented employee lacks will to work. Such employee practice all the dysfunctional behavior and is the greatest liability to the organization. He is aggrieved and wants to ventilate his feelings and reactions. Prompt and effective disposal of workers grievances is the key to industrial peace and harmonious inter-personal relations. An unsettled grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions.

The book is an attempt to identify and suggest such an effective, flexible and simple procedure of settlement of grievance that can ensure the speedy redressal of the grievances and must be capable of ensuring a sense of satisfaction to the employee concerned. This is where the novelty of the present book lies.

The book is based on the comprehensive and intensive research of the concept and issues related to employee grievances, discovery of employee's grievances and its impact on the organizations, approaches adopted, legislative framework of grievance settlement machinery, employee grievances settlement procedure and its effectiveness of 10 organizations / industries selected from three centers of Delhi, Haryana and Uttar Pradesh State.

The present work would be welcomed by the academic community, managers, union leaders, employers, planners and infact, by all those who are looking for leads to maintain healthy, trusting and positive relationship with its employees.



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