

GRIEVANCE MANAGEMENT IN INDIAN SMALL SCALE INDUSTRIES: AN OVERVIEW

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ABSTRACT

In their working lives, employees occasionally have cause to be uncomfortable, disappointed or aggrieved either about certain managerial decisions, practices or service conditions. The question then is whether this particular symptom or feeling is given any attention or is ignored altogether. What are the pros or cons of each of the approaches? To a large extent, the approach will be governed by several variables such as the style of management, size of the enterprise, level of education of workforce, technology of the plant and extent of unionization of workforce.

INTRODUCTIUON

In the present-day social context, 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 the employment. In respect of the latter, it could stem either from the interpretation of the contract, or in the absence of a negotiated collective contract between management and union.

In India, the government has been making a plea for grievance machinery at the plant level ever since 1956-58 when the standing committee of the Indian Labour Conference submitted a draft on the various aspect of a grievance procedure. The National Commission of 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, though, that there are very many instances in India today where the corporate management and union, through the collective bargaining process, have adopted the grievance procedure.

The grievance procedure is one of the more 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 status of the organization'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 habit and approach to the job itself. Statistical indexes taken together and analysed to determine a pattern could also be revealing- indexes such as absenteeism rates, accident data, request for transfer, number of disciplinary cases and separation and 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 indexes have an added justification. Nevertheless, rather than wait only for the grievance mechanism to indicate the state of the organization's health. The management could use the above indexes 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 unionization, and the union's strength in each particular plant.

Understanding Employee Grievances in Industry:

- a) **Step Ladder Method:** In the step ladder method (also called the formal procedure), the aggrieved employee first places his grievance before his immediate superior/supervisor (who acts as a first level grievance machinery) for suitable consideration. If the employee is not satisfied with the decision given by his immediate superior, he is allowed to take his grievance to the departmental head and to higher levels if necessary.
- b) **Open Door Method:** Open door method (also called informal procedure) is an alternative to step ladder method for the settlement of grievances of employees. Here, formal grievance procedure is not followed. An aggrieved worker is allowed to go directly to the top management executive with his complaint for consideration and suitable action (remedial measure). There is no formal procedure. The doors of the top executive/chief executive are always kept open to the employees and they are allowed to approach him directly with their complaints/grievances.
- c) **Observations:** A manager/supervisor can usually track the behavior of people working under him. If a particular employee is not getting along with people, spoiling materials due to carelessness or recklessness, remaining absent etc., the signals are fairly obvious. Since the supervisor is close to the scene of action, he can always find out such unusual behavior and report promptly.
- d) **Opinion Surveys:** Surveys may be conducted periodically to elicit the opinions of employees about organization and its policies. Group meetings, periodical interviews

with workers and collective bargaining sessions are also helpful in knowing employee discontent before it becomes a grievance.

- e) **Gripe Boxes:** A gripe box may be kept at a prominent location in the factory for lodging anonymous complaints pertaining to any aspect relating to work. Since the complainant need not reveal his identity he can express his feelings of injustice or discontent frankly and without any fear of victimization. Gripe boxes are different from suggestions with name written on them.
- f) **Exit Interview:** Employees usually leave their current jobs due to dissatisfaction or better prospects outside. Exit interview, if conducted carefully can provide important information about the employee's grievances. If the manager tries sincerely through an exit interview, he might be able to find out the real reasons why the employee is leaving the organization

Nature and Causes of Grievances In Industry:

a) Grievance Resulting from Working Conditions:

Improper matching of the worker with the job.

Changes in the schedules and procedures.

Non-availability of proper tools, machines and equipment for doing the job.

Tight production standards.

Bad physical conditions of workplace.

Failure to maintain discipline (excessive discipline or lack of it, both are equally harmful).

Poor relationship with the supervisor.

b) Grievance Resulting from Management Policy :

Wages, payment and job rates,

Leave,

Overtime,

Seniority,

Transfer,

Promotion, Demotion and discharges,

Lack of career planning and employment development plan,

Hostility towards a labour union.

c) Grievance Resulting From Alleged Violation of:

The collective bargaining agreement

Central or state Laws

Past Practices

Company rules

Management's responsibility

d) Grievance Resulting from personal maladjustment:

Over-ambition

Excessive self-esteem

Impractical attitude to life etc

Personnel Manager and Grievances Handling:

(a) Role of Personnel Manager in Grievance Handling:

Grievance and discipline handling are one of the personnel roles that few other people want to take over. Ambitious line managers may want to select their own staff without personnel intervention or by using the services of consultants. They may try to brush their personnel colleagues aside and deal directly with trade union officials or organise their own management development, but grievance and discipline is too hot a potato. Though it may seem like a thankless task that is 'pushed onto' personnel, it is now a major feature of personnel influence and power within the organization. The requirements of the law regarding explanation of grievance handling and the legal framework to avoid unfair dismissal combine to make this an area where personnel people must be both knowledgeable and effective. That combination provides a valuable platform for influencing other aspects of organizational affairs. The personnel manager who is not skilled in grievance and discipline is seldom in a strong organizational position.

(b) Reasons for Adopting a Grievance handling procedure:

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

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

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

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

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

(c) Basic Elements of Grievance Handling Procedure:

The existence of a sound channel through which a grievance may pass for redressal if the previous stage or channel has been found to be inadequate, unsatisfactory or unacceptable. This stage may comprise three, four or five sub stages.

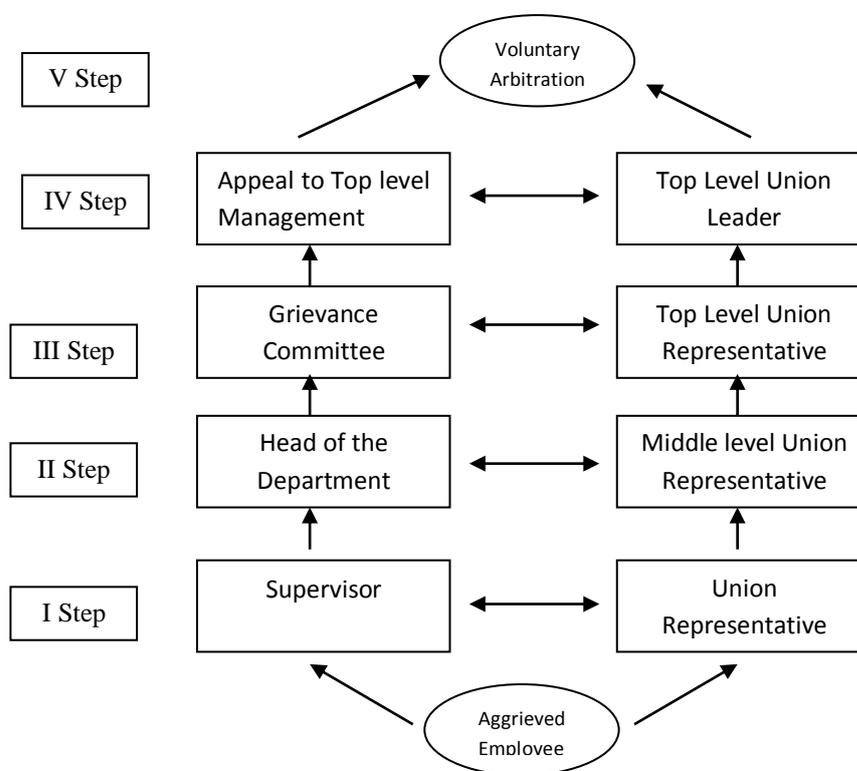
The procedure should be simple, definite and prompt, for any complexity or vagueness or delay may lead to an aggrieved of the dissatisfaction of the aggrieved employee.

The steps in handling the grievance should be clearly defined. These should comprise:

- Receiving and defining the nature of the grievance;
- Getting at the relevant facts about the grievance;
- Analyzing the facts, after taking into consideration the economic, social, psychological and legal issues involved in them;
- Taking an appropriate decision about the aggrieved employee;
- Communicating the decision to the aggrieved employee.
- Whatever the decision, it should be followed up in order that the reaction to the decision may be known and in order to determine whether the issue has been closed or not.

(d) Model Grievance procedure in India:

The grievance procedure issue was discussed in the 15th Session of Indian Labour Conference held in 1957. In the 16th Session of the Conference (1958), a model grievance procedure was prepared. The following diagram shows five-step model grievance procedure (as suggested by Indian Labour Conference)



The steps in the procedure (as per the model grievance procedure) will be as follows

First step: - Grievance is to be submitted in writing to the departmental representative of the management. Here the aggrieved worker can take the help of this union representative. He (departmental representative) has to give replay within 48 hours.

Second step:- If the matter is not settled at the level , the aggrieved worker can take the matter to the head of the department who has to give the decision within three day.

Third step:- If concerned worker is not satisfied at this stage, he can take his grievance to the Grievance committee. This Committee must make its recommendations to the management within seven days. The final; decision of the management on the report of the Committee is to be communicate to the concerned worker within three days of the receipt.

Fourth step:- If the worker is not satisfied even at this stage, he can make appeal for revision to the management and the management has to communicate its decision to concerned worker within seven days.

Fifth step:- In the final stage, the grievance may be referred to voluntary arbitration.

Legislations Dealing With Grievance in India:

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In Indian industry, adequate attention has not been paid to the settlement of grievance. Legislative framework deals only indirectly with the redressal of individual grievance. At present, there are three legislation dealing with grievance of employee working in industries. They are:

1. The Industrial Employment (standing orders) Act 1946.
2. The Factories Act 1948.
3. The Industrial Disputes Act 1947.

The Industrial Employment (standing orders) Act 1946

Requires that every establishment employing 100 or more workers should frame standing orders. These should contain, among other things, a provision for redressal of grievance of workers against unfair treatment and wrongful exactions by employer or his agents.

The Factories Act 1948

The Factories Act 1948 provides for the appointment of a welfare officer in every factory ordinarily employing 500 or more workers. These welfare officers also look after complaints and grievance of workers. However, these provisions are not useful due to the dual role which these officers are called upon to play.

The Industrial Disputes Act 1947

The employer in relation to every industrial establishment in which fifty or more workmen are employed shall provide a grievance settlement authority.

When an industrial dispute connected with an individual workman arises in an establishment referred to above, a workman or any trade union of workman of which such workman is a member may refer such dispute to the grievance settlement authority for settlement.

The grievance settlement authority shall follow such procedure and complete its proceedings within such period as may be prescribed.

No reference shall be made to boards, courts or tribunals of any dispute referred to in this section unless such dispute has been referred to the grievance settlement.

Authority concerned and the decision of the authority is not acceptable to any of the parties to the dispute. Under section 2 — A of the Industrial Dispute Act (which was added to the act by an amendment made in 1965), the term "industrial dispute" includes all differences between an industrial workman and his employer connected with organizing out of his discharge, dismissal, retrenchment or termination notwithstanding that no other workman nor any union or workman is a party of dispute. The effect of this provision is that the industrial grievance of a worker of the kind noted above can in future pass through the settlement machinery which has been provided for under the act.

Conclusion

The grievance procedure machinery decided by the Indian Labour Conference in 1957 was not working well due to lack of statutory backing. In 1982 the government amended the Industrial Disputes' Act providing for statutory grievance procedure in establishments employing 50 or more workers, but this was not notified by the government so far due to a decision of a tripartite meeting that the legal provision was dilatory and unworkable. The employers now want this amendment to be notified and make the grievance procedure unworkable.

Today if the filing of a claim is justifiably delayed by a union, the courts have powers to condone the delay. The employers now want that limit of three years should be fixed beyond which no claim should be entertained by the courts. The employers also want to keep only one year limit for filing claim of recovery of dues though the delay is due to the dilatory tactics by the employers.

Section 11-A of the Industrial Disputes' Act provides for modification of the punishment at the instance of the Labour Courts or the Industrial Tribunal. This section is provided due to arbitrary punishment imposed by the management by holding fictitious domestic enquiry. The managements want this section also deleted.

Section 17-B of the Act provides for automatic payment of the last drawn wages of the employees in case if the employers prefer to file an appeal in higher courts against the award. The employers now want to nullify the protection given to the worker and stop payment of wages.

"Work to rule" or "mass casual leave" are protest actions resorted to by workers when managements resort to dilatory methods to deal with legitimate grievances of workers, but take action against the workers, when they arbitrarily change work practices calling it go-slow. The employers now want to ban these forms of action and they even quote Supreme Court judgment to justify their claims. They, however, want to preserve their right to arbitrarily declare lay off, lockout or closure, they even resort to non-payment of electricity bill and close down the operation of the unit.

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