
UNIT 20 DISCIPLINARY ISSUES AND EMPLOYEES' GRIEVANCE HANDLING

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20.0 OBJECTIVES

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

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

20.1 INTRODUCTION

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

This Unit also **familiarises** you with the nature of three disciplinary **issues** and job changes, **i.e.**, suspension, dismissal and retrenchment which **an employee** may experience in course of employment.

Since these changes have the effect of reducing income or loss of job and livelihood, **and** one of these changes (dismissal) carries such a stigma which may even disqualify the

person concerned for further employment, they are not only likely to be resented but also challenged in courts. Sometimes, changes have to be effected by the management to maintain discipline or to rationalise the working of the **organisation**. These should be managed and **carried** out in such a manner that the hardship involved may be minimised, and they should not have any demotivating effect on other employees. This could be possible only when such changes are not only essential and fair, but they are made to look to be so.

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

20.2 WHAT IS DISCIPLINE?

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

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

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

20.3 DISCIPLINARY ISSUES

Disciplinary issues arise when there is non-conformity to formal and informal rules and regulations of the organisation. No management can afford indiscipline as it will affect the morale, involvement and motivation of subordinates in the organisation. Indiscipline often leads to chaos, confusion, and reduces the efficiency of the organisation.

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

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

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

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

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

Forms of Indiscipline

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

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

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

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

20.4 DISCIPLINARY ACTION

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

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

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

- 1) **Corrective Discipline:** In this case, the employee is let off with some sort of **corrective** disciplinary action in response to some indiscipline. The action can **be** a **warning**, suspension, **etc.** Usually the action is taken by the immediate supervisor but the authority is given by the higher level manager. The corrective action is a positive action initiated to encourage the employee discipline by reforming the indisciplined employee and also ensuring no further similar indiscipline from the **co-worker**. Thus, ensuring effective group **standards**.
- 2) **The Hot Stove Rule:** Its an extension of the **corrective** action. It means that the indisciplinatory action demands a reaction like a person receives in **touching** a hot stove. The **corrective** action should be very impersonal but immediate and stem with a consistency. But first warning is to be issued so that every employee is aware of the consequences. As the disciplinary action is immediate the **employee(s)**, register the punishment and the offence. Moreover, the corrective action has to be consistent so that no feeling of discrimination is generated among the employees.

3) **Progressive Discipline:** Progressive discipline here refers to the fact that repeated offences will warrant **severe/stronger** punishments. This is to encourage **the** employees to implement self corrective actions so as to save themselves from any further penalties. This process allows the organisation a chance to work out the employee problem. The following process can briefly be summed up as Progressive Discipline System (K. Davies 1981) :

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

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

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

20.5 SUSPENSION

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

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

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

20.6 DISMISSAL AND DISCHARGE

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

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

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

Grounds for Dismissals

The grounds for dismissals can be:

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

All the above three grounds **justify** dismissal under common law, and to this may be added several other acts and omissions, such as wilful slow down, or inciting others to

slow down, assault on manager or supervisors, and other offences under the Indian Penal Code involving moral turpitude, taking into consideration the nature of the **industry** or the establishment. However, one has to follow a procedure in this regard. The procedure stipulates the following steps:

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

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

20.7 RETRENCHMENT AND LAY OFF

Retrenchment is a termination of service for reasons of redundancy or **surplus** to requirement. Retrenchment does not include voluntary retirement, retirement and termination on the grounds of ill health. By a recent amendment, non-renewal of contract is not to be regarded as retrenchment. In other words, retrenchment is termination of service, but all terminations of service are not retrenchment. According to the ruling of the Supreme Court of India "**retrenchment**" as defined in the Act is not to be given any wider meaning than the ordinarily accepted connotation of the word and termination of service of a workman for any reason other than he was surplus would not constitute retrenchment. In other words, termination of service, on account of disciplinary action, or prolonged illness, or retirement and **superannuation**, expiry of contract, termination of contract as per the terms of the contract, unsatisfactory working during the probationary period as provided in the standing orders or service contract and non-renewal of contract, is not retrenchment.

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

Table 1: Differences between Retrenchment and Lay-off

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

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

Process of retrenchment is based on the law which states that no workman employed in any industry who has been in continuous service for not less than one year or who had worked for 240 days on the surface or 190 days underground in 12 calendar months under an employer shall be retrenched by that employer unless (a) the workman has been given one month notice in writing indicating the reason for retrenchment and the period of notice has expired, or the workman has been paid one month's wages in lieu of notice; (b) the workman has been paid, at the time of retrenchment, compensation equal to 15 days average pay for every completed year of service or any part thereof in excess of six months; (c) notice in the prescribed manner is served on the appropriate Government. No such notice may be required if the retrenchment is under an agreement which specifies date for the termination of service. The 240 and 190 days working period which qualifies a workman for receiving compensation includes days for which he was on leave with wages, or laid-off under an agreement or is permitted by Standing Orders, or absent due to temporary disablement caused by accident arising out of or in course of employment, and in case of a female employee the days on which she has been on maternity leave.

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

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

20.8 WHAT IS A GRIEVANCE?

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

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

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

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

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

20.9 REASONS FOR GRIEVANCES.

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

Grievances may occur for a variety of reasons:

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

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

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

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

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

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

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

The list is indicative and not comprehensive.

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

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

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

- a) Loss of interest in work and consequent lack of morale and commitment
- b) Poor quality of work and **service**
- c) Increase in wastage and **costs**
- d) **Increase** in employee turnover
- e) Increase in absenteeism

- f) Indiscipline
- g) Unrest
- h) Lack of customer care
- i) Bad reputation for the organisation, etc.

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

20.10 THE DISCOVERY OF GRIEVANCES

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

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

Each channel referred to above serves the purpose in a different way. **Using** more than one channel is desirable because it may not be possible to get information about all types of dissatisfaction from one channel. For example, the type of information one can get through a grievance procedure would be perceptibly different from what one can get from a gripe box or an exit interview.

20.11 HOW TO HANDLE GRIEVANCES

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

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

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

Thirdly, when grievances occur, it is **important to record them as to make sure that they do not recur**. If more grievances occur over the same issue, time and again and more numbers of employees are found to have a similar grievance, the focus should shift from person and (grievance) procedure to policy and practices. An archaic rule may continue to be the cause of much irritation among many employees. Then it is appropriate to take a **re-**look at the particular aspect of policy and alter or **modify** the same rather than get bogged down with redressing each and every case. If some grievances are recurring in nature, the strategy should be to prevent rather than cure them.

20.12 'THE PROCESSING OF GRIEVANCES

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

The purpose of a grievance procedure is to:

- let aggrieved employees know what to do if they have a grievance and where to look for or appeal to,
- ensure that the procedure of grievance handling is limited to a very few steps, as that the employees know that their grievances will **be** handled promptly and a solution will be found for it as soon as possible, thus lifting the morale of the concerned employee,
- check on arbitrary management decision by providing for appeals in at least three levels above the level at which such grievances occur. However, the less **frequently** the higher levels are used, the more effective they become,

- promote fair, viable, equitable treatment and personnel practices having regard to the rights of the employee. The superiors will be more careful in their arbitrary use of power and authority so that the employees have belief in the procedure, and
- assist in minimising discontent and dissatisfaction that may have adverse effects upon cooperation and productivity.

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

- i) **The level at which grievance occurs:** The best opportunity to redress a grievance is to resolve it at the level at which it occurs. An employee's grievance should be resolved by his or her immediate boss, the first line supervisor. The higher the discontent rises through the hierarchy, the more difficult it is to resolve. Bypassing the immediate boss would erode his or her authority. When the process moves to a higher stage, the aggrieved employee and the **supervisor/immediate** boss concerned may shift their focus to save face by proving the other wrong. The substantive aspect of any of the grievances may thus be relegated and dysfunctional aspects come to the fore thus making it more difficult to settle the issue.

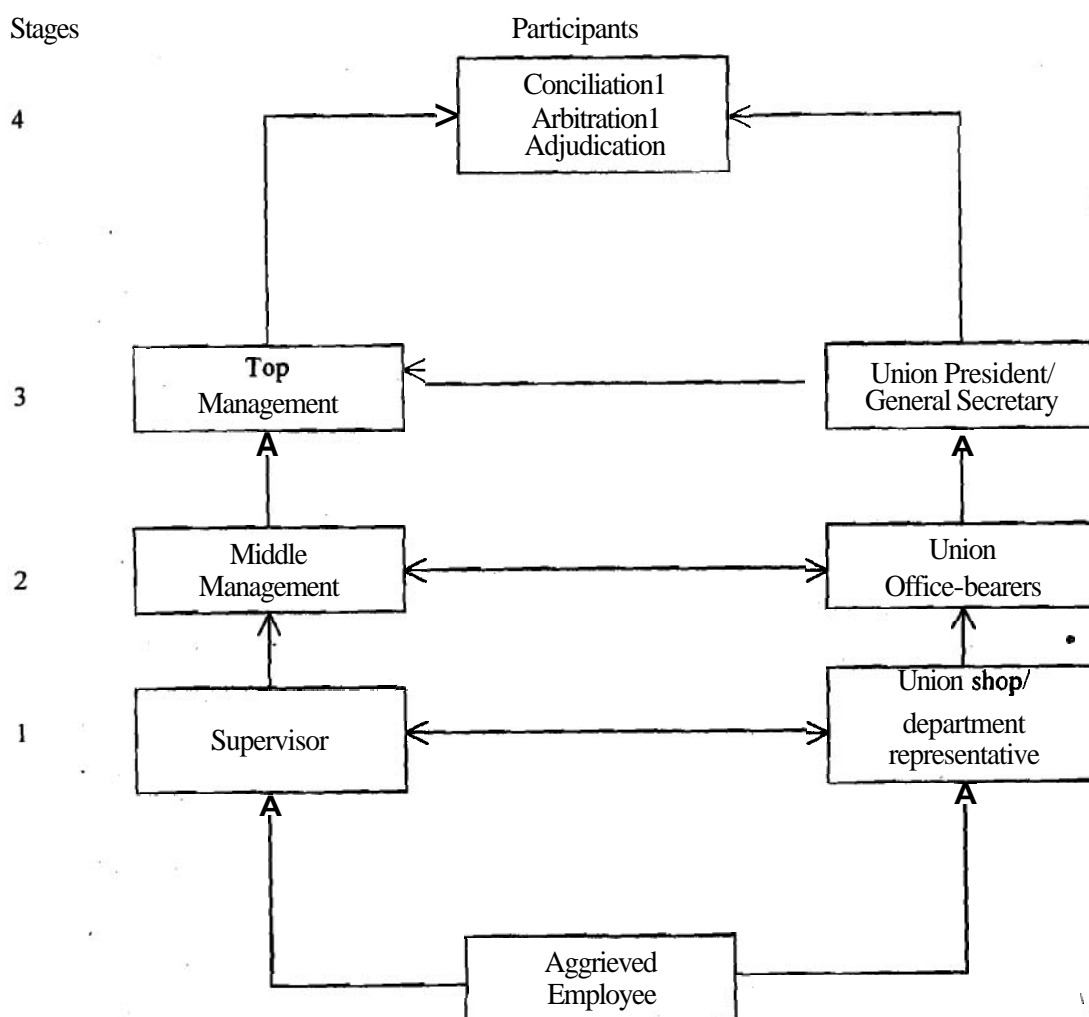


Figure I: A Grievance Procedure

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

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

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

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

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

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

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

In small **organisations**, as the case is most individually formed hotels, grievances can be processed on personal contact basis with immediate solutions.

20.13 STEPS IN GRIEVANCE HANDLING

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

- 1) **Acknowledge Dissatisfaction:** Managerial/supervisory attitude to grievances is important. They should focus attention on grievances and not turn away from them. In this **case**, ignorance is not a bliss, it is the bane of all **organisational** conflicts. Condescending attitude on the part of supervisors and managers would aggravate the problem.
- 2) **Define the Problem:** Instead of **trying** to deal with a vague feeling of discontent, the problem should be defined properly. Sometimes a wrong **complaint** is given. By **effective** listening, one can make sure that a true complaint is voiced.
- 3) **Get the Facts:** Facts should **be** separated from fiction. Though grievances result in hurt feelings, the effort should be to get the facts behind the feelings. There is need for a proper record of each grievance.

- 4) **Analyse and Decide:** Decisions on each of the grievances will have a precedent effect. While no time should be lost in dealing with them, it is no excuse to be slipshod about it. Grievance settlements provide opportunities for managements to correct themselves and thereby, come closer to the employees. Horse-trading in grievance redressal due to union pressures may temporarily bring union leadership closer to the management, but it will surely alienate the workforce away from the management.
- 5) **Follow-up:** Decisions taken must be followed up earnestly. They should be promptly communicated to the employee concerned. If a decision is favourable to the employee, his or her immediate boss should have the privilege of communicating the same.

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

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

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

Check Your Progress

- Explain the difference between the positive and negative concepts of discipline.
.....
- Identify the different forms of indiscipline and examine the factors leading to indiscipline.
.....
- What are the various forms of implementing Discipline?
.....
- Distinguish between:
i) dismissal and discharge; and ii) retrenchment and lay-off.
.....
.....
- Discuss the relevant provisions of the existing Industrial laws, which restrict the right of employers to dismiss or retrench their workers in India
.....
- What do you understand by grievance?
.....
- How would you handle grievances?
.....
- Briefly outline the features of a grievance procedure and the steps in grievance handling.
.....
- Describe the role of the immediate supervisor in processing grievances with respect to the employee, union representative and the personnel department.
.....

20.14 LET US SUM UP

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

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

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

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

20.15 CLUES TO ANSWERS

Check Your Progress

- 1) Compare your answer with the contents of **Sec. 20.2**.
- 2) See **Sub-sec. 20.3.2**.
- 3) See **Sec. 20.4**.
- 4) Read the **relevant Secs. 20.5, 20.6** and 20.7.
- 5) See **Sec. 20.7**.
- 6) Read **Sec. 20.8** and compare your **answer**.
- 7) In **Sec. 20.11** certain ways of grievance handling are mentioned.
- 8) Mention the four stage model discussed in **Sec. 20.12** and the steps discussed in **Sec. 20.13**.
- 9) See point (i) of **Sec. 20.12**.