



# CAIIB

## Module-D Unit-3

### Human Resources Management



## CAIIB HRM Module D Unit 3- Employee Grievance Redressal and Discipline

### Grievance

- **Experts have attempted to distinguish between dissatisfaction, complaint and a grievance.**
- Dissatisfaction is a state or feeling of discontent, whether expressed or not. Dissatisfaction made known by one employee to another is a complaint. Dissatisfaction related to the work situation brought to the notice of management, is a grievance.
- **Dale Yoder defines grievance as** “a written complaint filed by an employee claiming unfair treatment.”
- **The International Labour Organisation (ILO) defines it as** “a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations such as overtime, leave and termination of service.”

### Causes & Effects of 'Grievance'

- There may be various causes for development of grievance within an employee. All these causes can be grouped under three broad heads, **Management-oriented, Employee-oriented and Inter/Intra-union traits.**
- **'Management-oriented' grievances** are such that are attributable to the sole actions or inactions of management of the organisation. There are certain organizations where, sound policies are framed, but due to varied attitudinal approach of the personnel holding the positions in the hierarchy, grievances may develop on the reasons of discrimination of one employee against another. Further, in certain organisations, a section of employees are said to be discriminated against others in implementing the policies on the premise of union affiliations thereby lending scope for harbouring the grievances among the workforce.
- **'Employee-oriented' grievances** are such which are related to sole actions, thinking process and psychology of the employees in the organisation. The employee develops a grievance within himself that such policies do not sub-serve the needs, and thereby, seeks to amend such policies to match with the requirements. Grievances, may be borne out of jealousy and contempt among employees, it is for the management to tactfully handle such grievances.
- There may be certain grievances amongst the workforce which may develop due to the **inter/intra-union rivalries** in the organizations. Under this category, the grievances may develop amongst the workforce as a culminating effect of both the causes orienting towards management and employees. Organizations with multiple unions having a thin line of difference in its sizes, may also often witness individual grievances amongst its employees focusing at the management.

## **Grievance Redressal Mechanism**

- A grievance redressal procedure is a formal process which enables the parties to resolve their differences in a peaceful and expeditious manner.

***The procedure and mechanism involved in the process may have the following features:***

- Open communication channel.
- Understanding the employee point of view with sympathy.
- Identifying levels of authority where decisions can be taken speedily.
- Communicating the decision to the aggrieved employee without delay.
- Providing a scope for appeal and review where the employee is not satisfied with the decision.
- It is necessary to analyse the nature and types of the grievances and the causes. It is the responsibility of the personnel department to help the line managers in the formulation of the policies and their implementation so that the causes of grievances are reduced. These policies or programmes are **called grievance redressal procedure**.
- **The Code of Discipline** which was adopted in the 15th session of the Indian Labour Conference in 1957 provided for a draft grievance procedure. This was approved in the 16th session of the Conference in 1958 and was recommended by the Government of India as a **Model Grievance Procedure** for adoption by various organisations. Following this, some banks provided for a formal grievance machinery and widely circulated the information among the staff.
- Many banks have introduced a formal and robust procedure for resolution of grievances containing the authorities to whom the employees to lodge their grievances and also the appellant authorities to whom the grievance can be escalated, in case, the grievance is not resolved to the satisfaction of the concerned employee. Such procedure also prescribe time-lines within which period the concerned authority has to dispose off the grievance at his/her end.

### **Grievance Settlement Authority**

- The Industrial Disputes (Amendment) Act, 1982 provides for the reference of certain individual disputes to grievance settlement authorities. By this amendment a new section, namely, **Section 9C was added**.
- **Section 9C** of the Act requires the employer to set up **Grievance Settlement Authorities**. In every industrial establishment which employs 50 or more workmen, Grievance Settlement Authority is required to be set up for settlement of industrial disputes connected with an individual workman employed in the establishment.
- Where an industrial dispute connected with an individual workman arises the workman or any trade union of which the workman is a member refer the dispute to the Grievance Settlement Authority provided for by the employer. The Grievance Settlement Authority shall attempt to resolve the dispute.

- No reference shall be made under Chapter III of the Industrial Disputes Act with respect to any dispute referred **to under Section 9C unless** such dispute has been referred to the Grievance Settlement Authority concerned and the decision of the said authority is not acceptable to any of the parties to the dispute.

### **Administrative Measures Needed for Minimizing the Individual Grievances in Organizations**

- Establishing open communication channels – vertical, horizontal and cross-sectional. Encourage upward communication.
- Formulating reasonably stable and flexible policies/procedures which are to be periodically reviewed, evaluated, assessed and revised.
- Adopt and nurture a participative style of functioning. Seek referendum from its workforce on major policies so as to secure their acceptance
- Interpret policies uniformly among all workforce without any deviations.
- Management and unions should function cohesively with mutual trust and understanding, thereby creating an overall congenial atmosphere in the organization. The personnel handling grievances should possess broad, open and co-operative attitude.

### **Conflict Management**

- Conflict management is the approach and strategies geared towards achieving a positive outcome and resolution amongst the parties involved in matters relating to conflicts.
- These strategies and approaches are dependent on the type of conflict that exist, organizations, or institutions involved. It could be a systematic or unordered method that is task-specific, research-oriented, and requires proper attention.
- Conflict arises basically from different perception of a situation and the prestige and ego of the person perceiving the situation. The conflict resolution therefore would lie in the fact that the persons involved should endeavour to view the problem from the other's point of view, analyse the problem from a detached attitude, devoid of emotions and then attempt to solve the issue. It is likely that once an emotion-free approach is adopted, it may be easy to resolve the conflict.

### **Sources of 'Conflict' at Workplace**

- Conflict is a product of group dynamics and differing perceptions of the members of the group. It also is a function of emotions attached to the problem by the person, or his ego.

***Apart from these behavioural reasons, there could be other sources of conflict in a workplace as under:***

- **Status incongruence:** Differences in the status in an organisation involving a salary difference of employees with similar profile, or that one gets promoted

and the other does not can lead to a conflict situation as the one who got promoted finds it difficult to interact with the other person freely. An attempt at counseling and a realistic assessment of the situation could help resolve the conflict.

- **Competitive work environment:** Goals set in a highly competitive environment, and the lack of equal opportunities for achieving the same can lead to major conflicts especially if career growth and monetary rewards depend on the successful attainment of these goals. A judicial approach to such goal setting and a fair opportunity for all to succeed may help save the situation.
- **Differences in value systems:** This is a common source of conflict. People come from different backgrounds, different up-bringing, different culture and religion at the work place. They are of different age groups. Their value systems as to inter personal interaction, societal references, etc., differ. This, sometimes, causes a problem in the organisation.
- **Inadequate communication:** Many of the conflicting situations arise due to improper, incorrect, inadequate communication in the organisation. The communication at times get distorted-though unintentionally-which creates confusion and problems. It will be observed that the sources of conflicts are manageable and conflicts can be resolved.

### Consequences of 'Conflict'

#### *Positive effects of 'Conflict':*

- On the positive side, conflict can bring opportunity, development, and growth to individuals, groups, and organizations, resulting in increased cohesion and trust.

*This apart, positive consequences for individuals involved in conflict can encompass:*

- Reconciliation of interests/differences
- Improved sense of identity and solidarity
- Promotion of interaction between the parties
- Brings clarity on the real issue/s of conflict
- Foster positive attitude among the parties
- Increases trust between the parties
- Increases productivity and performance
- Cementing unity of the team

#### **Negative effects of 'Conflict'**

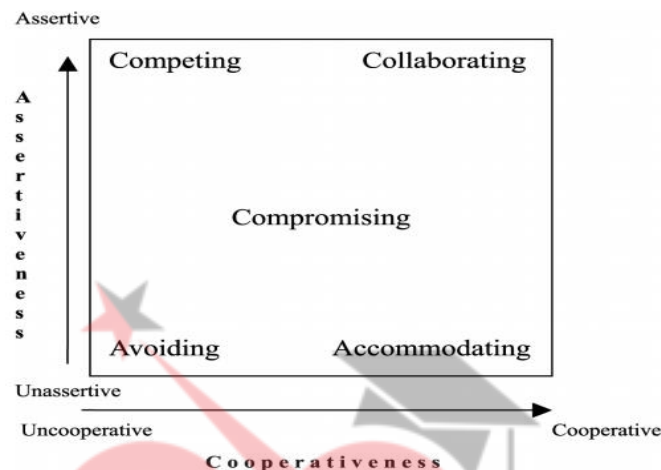
- Often the positive benefits of conflict are overshadowed by harmful consequences that result when disputing parties attempt to achieve their goals at the expense of others. Such forcing exchanges often bring about an escalation of the conflict that is difficult to reverse.

*When forcing methods are used, any of the following negative consequences can follow:*

- Escalation of minor conflicts into major conflicts
- Increase in number issues of the conflict
- Leads to upsurge of hidden interests in the conflict
- Breaking/straining of relationships between the parties

### Conflict Resolution Techniques: 'Two Dimensional Model' of Conflict

Within this two-dimensional model, Thomas and Kilmann (1974) have developed a popular framework that accounts for five styles of handling conflict: competing, collaborating, avoiding, accommodating, and compromising.



- **Collaborating:** The collaborative approach to conflict is to manage it by maintaining interpersonal relationships and enduring that all parties to the conflict achieve their interests. This attitude toward conflict is one in which the individual acts not only on behalf of his/her self-interest, but on behalf of the other party's interests as well. This is a win-win posture, in which the stance of both the parties toward conflict management is win-win.
- **Compromising:** The compromise approach to conflict is to assume that a win/win solution is not possible and adopt a negotiating stance that involves a little bit of winning and a little bit of losing, with respect to both the interests and the relationships of the involved parties. The objective is to find some expedient, mutually acceptable solution that partially satisfies the interests of the parties involved. The parties' stance toward conflict management here is mini-win/mini-lose.
- **Accommodating:** This kind of conflict management requires that the parties involved accept the views of one another. The accommodating approach to conflict involves maintaining the interpersonal relationships at all costs, with little or no concern for the interests of the parties involved. Giving in, appeasing, and avoiding the conflict are viewed as ways of protecting the relationships. This is a yield lose/win approach, in which one's party's stance toward conflict management is to yield-lose, allowing the other parties to win.
- **Competing:** This type of conflict management strategy often involves individuals who are assertive and have the will power to fight till they achieve their goal and

the other losing. The competing approach to conflict involves taking the necessary steps to ensure that interests are met, whatever the cost to the relationships involved. Conflict is viewed as a win or lost proposition, with winning somehow equated with status and competence.

- **Avoiding:** This is a type of conflict management strategy where there is an existence of avoidance such that the avoiders ignore the conflict. The avoidance approach to conflict is to view it as something to be shunned at all costs. A central theme of this style is hopelessness, which results in a high degree of frustration for all parties involved. The parties' interests are usually not met, nor is the interpersonal relationship maintained in this approach. This approach might take the form of diplomatically sidetracking an issue, postponing an issue, or simply withdrawing from a threatening situation. This is a leave lose/win approach in which one party's stance toward conflict management is to leave-lose, allowing the other parties to win.

### Situations/Circumstances Warranting to Select a Particular Strategy/Approach

- There are empirical studies reveal that generally, the approach to conflict one should select is contingent on the circumstances of the particular situation. The specific applications that call for each of these approaches are grouped by strategy as follows, starting with the most preferred approach and ending with the least preferred.

S.No.	Circumstances of a particular situation	Recommended Style / Approach
1.	1. When concerns are too important for compromise. 2. When no party has a good solution. 3. When complete resolutions are needed and to eliminate left-over negative feelings. 4. When the long-term relationship and outcome are important.	Collaborating
2.	1. When the goal of outcome of the conflict is not worth the time and energy required for collaboration. 2. When a quick and temporary expedient settlement is acceptable. 3. When collaborating does not work out and the conflict cannot otherwise be resolved. 4. When the outcome is not crucial and you are losing time.	Compromising
3.	1. When one party has a resolutely better solution. 2. When the issues involved are considerably more important to one party. 3. When continued competition could damage the relationship, leading to escalated conflict in future. 4. When you really don't care a lot about the outcome but do want to preserve or build the relationship.	Accommodating

4.	1. When quick, decisive action is expedient and vital. 2. When an issue is vital to the long term success of the organization. 3. When the needs of the other party are less or non-important. 4. When you don't care about the relationship but the outcome is important.	Competing
5.	1. When the issue is trivial and it is better to postpone or you don't have as great a concern about the outcome 2. When there is no possibility of either settling or resolving the issue. 3. When there will be potential damage to the organisation	Avoiding

### Management Dilemma

- A 'dilemma' is a complicated issue created when a manager has to accomplish more than one goal at a time, and at first glance there is no right answer. 'Dilemma' can also be defined as is the situation with two competing extremes where the actors are faced with "either... or..." choice.
- Thus, making decisions based on the "dilemma" approach means taking tough stands – situation that many managers are quite willing to avoid. When organizations are faced with the "horns of dilemma", it is their organizational top leadership culture, i.e. the prevailing values, norms and practices that will usually determine the type of choices being made.
- **'Dilemma Management' is the process of addressing complicated problems and resolving them in a systematic manner.**
- The nature of dilemmas each organisation come across is distinct and unique and as such it may not be possible to predict all such dilemmas. Hence, the management need to suitably equip with a well-knit mechanism which can pre-empt any such dilemma and to evolve effective measures to overcome them.
- No business is immune from dilemmas that, if not handled wisely and in a timely fashion, could cause decreased productivity, low employee morale and diminished profitability. But by responding strategically, such problems arise less frequently and pose little threat to the company's continued stability and success.
- Dilemmas can stem from a lack of foresight and preparation or from something completely out of your control. Either way, organisations must realize there is a problem and try to identify it as early as possible and address it timely but don't avoid it as, avoidance only escalates the issue. They can start by analyzing what the underlying issue is and if they could have avoided the dilemma altogether which will help them prepare for future complications.

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