

# Causes and effects of grievances in small companies

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**Abstract-** This paper entitled “A Study on causes and effects of grievances With respect To “Ahinjay Software Development” and “Prodigy software solutions” is carried out to understand the effectiveness of the grievance handling procedure followed by the two organizations to resolve employee’s grievance.

The objectives of this study are a) to find the causes and effects of grievance and grievance handling procedure of the company. b) to identify the awareness level of the employees about the grievance handling mechanism of the company and c) to know the level of satisfaction towards the grievance handling procedure of the company.

This study is descriptive in nature with a focus on developing the concept and improves the quality of decisions made in the process of grievance handling. Primary data is gathered through a questionnaire and the secondary data is drawn from internet and other published sources.

Convenience sampling is used while selecting samples for data collection. A sample size of 50 from each organization was taken out. The gathered information is critically analyzed using statistical tools such as Chi-Square, regression and Correlation.

From the findings of this study, it is concluded that Grievance Handling Procedure followed by the two companies is effective and satisfactory and suggestions are given for the further improvement of the procedure so that all employees can be highly satisfied.

## INTRODUCTION

Grievance management is an important aspect of HR. Extensive research is being conducted on grievance management still the complete understanding of its causes are unclear.

According to Michael Jucius, “A grievance can be any discontent or dissatisfaction, whether expressed or not, whether valid or not and arising out of anything connected with the company that an employee thinks believe or even feels as an unfair, unjust or inequitable. Irrespective of the size of any company the management is always concerned about genuine grievances of employees if not then grievances would manifest in

several forms such as dissatisfaction against management, working conditions etc.

The primary objective of grievance procedure for any company are-To settle grievances by immediate bosses and in the shortest possible time and to provide the provision to go to various stages if employees are not satisfied by redressal, so they can go to even highest level of authority.

Grievance redressal and mitigation is the most crucial and critical component of HRM.

Research has proved that employees who are awaiting resolution for their pending issues are twice more likely to quit the organization.

## BACKGROUND

The two organizations which were undertaken for studies, both are small sized IT companies.

Organization A is into training and development of software, in particular I phone application development, specializing in design and development of rich internet application.

Organization B is into product development and consulting services and works with all major databases.

Highly competitive scenario has lead to stressful working conditions and poor relationship between line managers and staff in this post recession era has lead to grievances.

**MAIN ISSUES LEADING TO CAUSE GRIEVANCES HAVE BEEN DISCUSSED BELOW:**

### UNMANAGEABLE WORKLOAD—

Workload issues are related to engagement and turnover. If work load is manageable then positive and effective contribution of employees is observed, excess work load leads to stress, grievance and turnover. Workload related stress is primary cause of grievance.

Stress and workload issues are not felt equally by all the employees

Proper analysis of the drivers of employee engagement model is must and it’s felt that if work environment is more innovative it facilitates the better management of work load, reduces stress and less grievances.

**LACK OF RECOGNITION:** In these times when organizations are very much focused on productivity, the need of employees to be recognized for their contribution is much higher than ever. Research has

proved that lack of recognition as the no.2 cause of developing grievance in employees, if workplace recognition is lacking it leads to mental frustration, lack of self-esteem, employees feel demotivated and results in conflict and grievance.

Need to be recognized for contribution is much higher than ever.

**LACK OF MUTUAL TRUST:** long lasting relationship relation can be built on mutual trust. Trust in immediate bosses and management is foundation for success of any organization, this can develop an unflinching commitment to all the stakeholders.

Trust in immediate bosses and management is foundation for success of any organization.

Commitments form the very core of the existence of any organization. Lack of trust can lead to develop several types of grievances.

**LACK OF UNAMBIGUOUS POLICIES:** Organizations should uphold the high standard of integrity and transparency in all their policies. Ambiguous policies lead to different perceptions and each employee infer them in different ways.

**LACK OF AMENITIES:** Management should be committed to provide basic amenities, safe working environment through continuous improvement of their infrastructure, work practices and behavior. Lack of proper physical environment and tools can lead to stress, decrease employee's engagement and lead to develop grievance.

**LACK OF RESPECT FOR INDIVIDUAL:** If the organizations fail to create a working environment that encourages diverse perspectives and is not able to uphold the dignity of work and of individuals it creates a feeling of frustration and mistrust among employees leading to grievance.

**LACK OF COLLABORATION AND TEAM WORK:** It's essential that all employees should realize the importance of teamwork in order to leverage the expertise and all resources. Uncooperativeness from any employee may lead to develop grievances in other employees.

Uncooperative team members are the root cause of frustration for others.

**SUPERVISORS NOT USING AUTHORITY:** Research indicate that supervisors use of power strategies such as using authority to resolve grievances is positively correlated with subordinate satisfaction. Day and Hamblin (1964) found that subordinates performance and attitude vary according to the supervisor's use of their authority in handling grievances. If supervisors

don't use this authority, fearing the accountability it causes mistrust in employees leading to grievance.

**LACK OF COMPETENCY MAPPING MODEL.** A competency model is valid observable and measurable list of knowledge, skills and attributes demonstrated in behavior and performance. Mapping competency helps in proper roles allocation and keeps employees satisfactory.

**NATURE OF GRIEVANCES IDENTIFIED AT AHINJAY AND PRODIGY.**

It is mandatory that the grievance should be work related and not personal. Policies of both the of organizations has made it mandatory that the grievance must fall under the following category to be considered one:

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

In spite of being a small organizations the two companies have a grievance handling model, similar to the one described by the Indian labor conference.

FIVE TYPES OF GRIEVANCE SYSTEMS ARE TYPICALLY OBSERVED IN BOTH OF THE ORGANIZATIONS THEY ARE THE

(1) Open door policy, (2) Step-review method, (3) Peer-review also called the grievance committee or roundtable, (4) Ombudsman and (5) Hearing officer

THE CAUSES OF GRIEVANCES MAY BE BROADLY CLASSIFIED INTO THE FOLLOWING CATEGORIES: (AS OBSERVED IN THE BOTH ORGANIZATIONS)

(1) GRIEVANCES RESULTING FROM WORKING CONDITIONS:

(i) Improper matching of the worker with the job. (ii) Changes in schedules or procedures. (iii) Non-availability of proper tools, machines and equipment for doing the job. (iv) Unreasonably high production standards. (v) Poor working conditions. (vi) Bad employer – employee relationship, etc.

(2) GRIEVANCES RESULTING FROM MANAGEMENT POLICY:

(i) Wage payment and job rates.(ii) Leave.(iii) Overtime.(iv) Seniority and Promotional.(v) Transfer.(vi) Disciplinary action.(vii) Lack of employee development plan..

(3) GRIEVANCES RESULTING FROM PERSONAL MALADJUSTMENT

i) Over – ambition. (ii) Excessive self-esteem or what we better known as ego.  
(iii) Impractical attitude to life etc  
The procedure is in Conformity with existing legislation has wide. Acceptability and simplicity. It is prompt and concerned employees are given training regarding the procedure .Regular follow up is also done.

#### RESEARCH DESIGN AND METHODOLOGY;

Research is descriptive in nature, comprising following steps.

- (1) Defining the population and selecting the sample.
- (2) Designing the method of data collection.
- (3) Analysis of the data.
- (4) Conclusion and recommendation for further improvement in the practices.

#### 3.2: Tools and techniques of Data collection.

Mostly the data was collected using the personal interview, and close ended /questionnaire. Personal observations were made through extensively studying a lot of manual records, company records and through internet.

Sources of data: The two sources of data collection are namely primary & secondary

PRIMARY DATA: Primary data are fresh data collected through survey from the employees using questionnaire.

SECONDARY DATA: Secondary data are collected from books and internet.

#### SAMPLE DESIGN

#### SAMPLE ELEMENT

#### EMPLOYEES AT AHINJAY AND PRODIGY

SAMPLE SIZE: 50 SAMPLES FROM EACH ORGANIZATION

SAMPLE TEST: CORRELATION, CHI SQUARE TEST AND REGRESSION

SAMPLE MEDIA: QUESTIONNAIRE

SAMPLING METHOD: SIMPLE RANDOM SAMPLING

#### OBJECTIVES OF THE STUDY

(1) To find whether the grievance handling mechanism ensures that employee's problems are recognized and appropriately reviewed in a prompt and timely manner.

(1) To analyze whether the grievance mechanism acts as a foundation for a harmonious and healthy relationship between employee and employer.

(3) To analyze various reasons that trigger grievances and evolve a formal grievance redressal process.

(4) To analyze whether the grievance mechanism ensures a fair and just treatment of employee's concerns and prompt resolution of grievances without

discrimination, coercion, restraint or reprisal against any employee who may submit or be involved in a grievance.

(5) To identify whether the employees are aware of the grievance handling mechanism.

(6) To evaluate the strategies followed in the organization to redress grievances for short term and long term and

#### 3.6 FORMATION OF HYPOTHESIS

- H01: There is no significant difference between organization type and opinions on bosses patiently listen the grievance.
- H02: There is no significant difference between organization type and opinions on supervisor's awareness regarding job.
- H03: There is no significant difference between organization type and opinions on lack of recognition.
- H04: There is no significant difference between organization type and opinions on clarity of goals and targets.
- H05: There is no significant difference between organization type and opinions on felling about decision to grievances.
- H06: There is no significant difference between organization type and opinions on supervisor authority to resolve grievances.
- H07: There is no significant difference between organization type and opinions on updated their status with written records.
- H08: There is no significant difference between organization type and opinions on unambiguous policies.
- H09: There is no significant difference between organization type and opinions on conflict occur and lead to grievances.
- H010 there is no significant difference in the opinion of employees that decisions are benefitting.
- H011: There is no significant difference between organization type and opinions on change in attitude of management.
- H012: There is no significant difference between organization type and satisfaction on available model of grievances.

- H013: There is no significant difference between organization type and satisfaction on available competency mapping model.
- H03: There is no significant difference between organization type and opinions on lack of recognition.

ORGANIZATION \* LACK OF RECOGNITION

Crosstab

			LACK OF RECOGNITION				Total
			Strongly Disagree	Disagree	Agree	Strongly Agree	
Organization	AHINJAY	Count	0	2	18	30	50
		% within Organization	.0%	4.0%	36.0%	60.0%	100.0%
	PRODGY	Count	1	5	26	18	50
		% within Organization	2.0%	10.0%	52.0%	36.0%	100.0%
Total		Count	1	7	44	48	100
		% within Organization	1.0%	7.0%	44.0%	48.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.740 <sup>a</sup>	3	.081
Likelihood Ratio	7.209	3	.066
N of Valid Cases	100		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .50.

From the above table chi-square is not significant (sig. value is greater than 0.05) the null hypothesis no need to rejected. It means that there is no significance difference between organization type and opinions on lack of recognition.

(6) OPINION of the employees of Ahinjay software development and Prodigy on supervisor's authority on handling grievances.

ORGANIZATION \* SUPERVISOR'S AUTHORITY

H06: There is no significant difference between organization type and opinions on supervisor authority to resolve grievances.

Crosstab

			SUPERVISOR'S AUTHORITY				Total
			Strongly Disagree	Disagree	Agree	Strongly Agree	
Organization	AHINJAY	Count	12	20	10	8	50
		% within Organization	24.0%	40.0%	20.0%	16.0%	100.0%
	PRODGY	Count	4	16	24	6	50
		% within Organization	8.0%	32.0%	48.0%	12.0%	100.0%
Total		Count	16	36	34	14	100
		% within Organization	16.0%	36.0%	34.0%	14.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.495 <sup>a</sup>	3	.015
Likelihood Ratio	10.858	3	.013
N of Valid Cases	100		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.00.

From the above table chi-square is significant (sig. value is less than 0.05) the null hypothesis is rejected. It means that there is a significance difference between organization type and opinions on supervisor authority to resolve grievances.

#### REGRESSION

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.522	0.272	0.248		0.779

(a) Predictors: (Constant), UPDATION WITH RECORDS, EXPECTATIONS OF ORGANIZATION, SUPERVISOR'S AUTHORITY.

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.664	3	6.888	11.340	.000 <sup>a</sup>
	Residual	55.273	91	.607		
	Total	75.937	94			

a. Predictors: (Constant), UPDATION WITH RECORDS, EXPECTATIONS OF ORGANIZATION, SUPERVISOR'S AUTHORITY

b. Dependent Variable: CLARITY OF TARGETS

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.242	.388		3.200	.002
	EXPECTATIONS OF ORGANIZATION	-.083	.098	-.075	-.840	.403
	SUPERVISOR'S AUTHORITY	.105	.089	.108	1.179	.241
	UPDATION WITH RECORDS	.509	.096	.482	5.285	.000

a. Dependent Variable: Goals and targets

The regression equation for the above data is

Goals and targets = 1.242-0.083(expectation of organization) + 0.105(supervisors Authority) + Correlations  
0.059(uptation with records)  
CORRELATIONS

		Goals and TARGETS	UPDATION WITH RECORDS	SUPERVISOR'S AUTHORITY
Goals and TARGETS	Pearson Correlation	1	.494**	.220*
	Sig. (2-tailed)		.000	.028
	N	100	100	100
UPDATION WITH RECORDS	Pearson Correlation	.494**	1	.176
	Sig. (2-tailed)	.000		.080
	N	100	100	100
SUPERVISOR'S AUTHORITY	Pearson Correlation	.220*	.176	1
	Sig. (2-tailed)	.028	.080	
	N	100	100	100

\*\* Correlation is significant at the 0.01 level (2-tailed).

\*\* Correlation is significant at the 0.05 level (2-tailed).

INFERENCE: Based on the above table we conclude the following

There is a significant positive correlation between goals and targets and updatation with records, supervisor's authority. Further a moderate correlation coefficient of 0.494 with updatation with records and poor correlation coefficient of 0.220 with supervisor's authority.

There is a positive correlation between updating records and goals and targets, supervisor's authority. Further a poor correlation coefficient of 0.176 with supervisor's authority.

#### HYPOTHESIS AND CONCLUSIONS

Attributes	Significance value	conclusion
Immediate boss listen patiently grievance.	.000	Rejected
supervisor's awareness	.048	Rejected
lack of recognition	.081	Accepted
clarity of goals and targets	.001	Rejected
on feeling about decision	.097	Accepted
Supervisor's authority	.015	Rejected
Updatation with records	.000	Rejected
Unambiguous policies	.700	Accepted
Conflicts lead to grievances	.271	Accepted
Decisions are benefitting	.000	Accepted
Change in attitude of management.	.557	Accepted
Satisfactory model	.034	Rejected
Competency mapping model	.971	Accepted

#### RESULTS, FINDINGS, CONCLUSIONS AND SUGGESTIONS

##### DISCUSSION OF RESULTS:

The study focused on employees of two IT Companies- Ahinjay software development and Prodigy IT solutions.

Almost 76% employees in Ahinjay software agree that immediate Bosses listen patiently to their grievances where as in Prodigy only 38% agree to this. 60% employees of Ahinjay software strongly agree that lack of recognition leads to grievances and 52% of prodigy agree to this. 15% employees of Ahinjay agree that decisions are benefitting and 38% from prodigy agree to it.

52% employees of Ahinjay agree that Supervisors are completely aware of Employee's job description and 46% of Prodigy have same opinion.

50% employees of Ahinjay software development agree that policies of management are unambiguous and 54% of prodigy agree to it.

Employees of both the organizations agree that change in attitude of management towards grievances handling is required.

The Chi-Square and Correlation analysis of the primary data suggests that Variables like immediate Bosses being patient listeners, clarity of targets, authority of supervisor is closely associated with dependent variable and variables like lack of recognition, conflicts leading to grievances, change in attitude of management are positively associated with dependent variable.

#### FINDINGS OF THE STUDY:

(1) TESTING THE GIVEN HYPOTHESIS ILLUSTRATE THAT THE CAUSES OF THE EMPLOYEE GRIEVANCE CAN BE BROADLY CLASSIFIED AS

(1) Repetitive nature of work (2) Lack of understanding between the supervisor and employee about the job. (3) Working conditions (4) work-load (5) Lack of recognition (6) Lack of flexibility to manage work (7) Job dissatisfaction

The majority of respondents about expressed recognition as the main reason for grievances. Survey revealed that employees are not given written updates about their grievance handling procedure. Employees develop frustration leading to grievance when unreasonable standards are set for them. Majority of the employees felt that their supervisor was not using the authority and was not fully knowledgeable to their job.

Employees expressed satisfaction over their seniors listening patiently to them, but a few felt solutions were frivolous, hardly benefitting the employee. The policies were fair and administered transparently.

(2) ANALYZING THE DATA OF HYPOTHESIS CONFIRMED THE FOLLOWING FACTS.

There was no significant difference between the employees of two organizations on grievances related to lack of recognition, satisfaction related to competency mapping model and change required in attitude of management.

#### CONCLUSION:

A long term relationship needs to be established with its employees.

Employees in this organization need a lot of personal space and a well thought-out career growth plan.

Also, HR practices are needed to be fine tuned so as to get a right perception about the feelings of employees. Some of the strategies suggested in this project can be

very easily implemented without any cost to the company.

Long term strategies towards organizational culture binding, nurturing talent and inculcation of faith towards management will help the organization to reduce the grievances. It is important for the organizations to involve the employees in larger picture otherwise they feel alienated and cut off from the larger purpose of organization. Job rotation and interaction with other units can be helpful.

Proper grievance redressal is must for the retention of employees.

Safe guard against retaliation is must if employees feel that he/she is retaliated against in the form of adverse action for filing a grievance should have a right to file a written complaint to the chief compliance officer or chief Ombudsman.

#### SUGGESTIONS:

1. Job descriptions, responsibilities should be as clear as possible. Everyone should be informed of company's goals and expectation including what is expected from each individual.

2. Informal counseling helps to address and manage grievances in the workplace.

3. Conflict management in the organization will be helpful to reduce the number of grievance rates.

4. Open door policy can be used. The barriers that exist between the various categories are to some extent broken by personal contact and mutual understanding.

5. Suggestion boxes can be installed. This brings the problem or conflict of interest to light.

6. Accident rates, Requests for transfers, Resignations, and disciplinary cases should be analyzed since they reveal the general patterns that are not apparent.

7. Temporary relief can be provided so that the delay does not increase his frustration and anxiety and thereby not affecting his / her morale and productivity.

8. When there is deviation in the real basis identification it will be reflected in the level of satisfaction regarding decision given.

9. The temporary relief for grievance should be enhanced in the organization

A balance must strike between authority of managers to operate in a responsible manner and individual employee protection.

#### SHORT TERM STRATEGIES RECOMMENDED ARE:

Company should quickly respond to the complainants and try to solve problems promptly to improve its relationship between management and all employees. This will install more confidence and feeling of trust among employees.

Besides recognition extra perks of employees should also be taken care of.

Feed back through various employee relationship management tools captured should address the concerns and grievances of its employees.

LONG TERM STRATEGIES RECOMMENDED ARE:

There should be right balance between grievance handling model and executing it.

Seniors should directly interact with their subordinates as they can identify the employee's skill and give suitable rewards for organizational growth.

The organization should provide suitable working conditions for employees to work effectively.

Follow up action should be taken to know the response of the forced employee. This is to make sure that he/she is happy or not! At the end of the day the satisfaction of the aggrieved party is necessary.

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