

# A Study on Impact of Grievance Handling Procedure in Organisation Performance among Industries

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**Abstract:** *This case study explores the importance of effective grievance handling procedures in fostering a harmonious work environment within organizations. Grievances, if left unaddressed, can escalate into significant disruptions, impacting employee morale, productivity, and overall organizational performance. Through a qualitative analysis of a mid-sized manufacturing firm, this study examines the implementation and outcomes of its grievance handling procedures. The research methodology involves interviews with HR personnel, managers, and employees to understand their perceptions, experiences, and challenges related to the grievance process. Additionally, document analysis of company policies and records provides insights into the formal mechanisms employed for grievance resolution. Findings reveal that a well-defined and transparent grievance handling procedure is crucial for addressing employee concerns promptly and impartially. Effective communication, confidentiality, and fair treatment emerge as critical factors in mitigating grievances and restoring trust in organizational leadership. Moreover, the study identifies the role of proactive measures such as employee training, conflict resolution workshops, and regular feedback mechanisms in preventing grievances from escalating. The case study underscores the significance of organizational commitment to upholding employee rights and fostering a culture of openness and fairness. By investing in robust grievance handling mechanisms, organizations can cultivate a positive work environment, enhance employee satisfaction, and ultimately improve overall performance and competitiveness in the marketplace.*

**Keywords:** Grievance handling, Conflict resolution, Organizational culture, Employee satisfaction, Human resource management.

## I. INTRODUCTION

In this corporate era, impact of grievance redressal is the key point of step towards employee productivity in the organization but, many employees still face various obstacles and hurdle in the whole process of redressal. Although the primary objective of any organization is to generate revenue, however the employee welfare and concerns must also present in their Agenda.

To conquer this problem and to reduce root causes of grievance, the organization should start including various corporate restructuring and separate committee for the grievance experienced by the employees, although employee engagement have become a more essential role in value business in recent generations, they still room to improvement in the implementation of those methods in simple terms grievance is briefed as any discontent or sense of injustice connected to a certain employment situation that is binged to management's attention. to understand what a grievance is, it is necessary to distinguish between dissatisfaction, complaint, and grievance.

Dissatisfaction - feeling or emotion which employee experiences

Complaint - it is a spoken or written dissatisfaction brought to the attention of the supervisor

Grievance - it is a complaint that has been formally presented to a management representative

A grievance is a formal employee complaint that's filed when an employee or group of employees is negatively affected by violations of workplace policies or contract terms. In unionized workplaces, grievances are typically filed

when the terms of the collective bargaining agreement aren't being met. In nonunionized workplaces, employee grievances are often filed when a written company policy has been misinterpreted or misapplied.

Your grievance procedure is the formal process for handling these complaints. It outlines how an employee should raise a complaint and what steps your company will take to resolve the issue. This typically involves an investigation, decision and consequences, as well as an appeal process.

### **Types of employee grievances**

#### **Some of the most common types of grievance procedures include:**

**Individual grievances:** This happens when a single employee is experiencing a problem in the workplace. This could include issues involving pay and benefits, excessive workload, workplace favoritism, bullying or workplace discrimination, lack of a transparent promotion process, etc.

**Group grievances:** When a group of employees has similar complaints and experiences within the workplace, they can file a group grievance. Examples include grievances related to the gender pay gap, employee schedules, organizational changes, etc.

**Union grievances:** Unions file a grievance when they believe workers' rights aren't being protected. For example, a union might file a grievance if management didn't properly deduct union dues.

### **Benefits of grievance procedures**

A formal grievance procedure lets employees challenge management's decisions, voice their opinions and concerns, and resolve conflict quickly, fairly and effectively through conflict management. It can also help foster trust since having a written grievance procedure encourages employees to raise concerns without fear of workplace retaliation.

Grievance procedures can also:

- Prevent minor complaints or disagreements from becoming more serious
- Encourage you to develop company policies and employment contracts that are specific
- Help foster a company culture of transparency, openness, and trust
- Make employees feel heard and valued
- Help prevent and address bias, discrimination, and harassment
- Give employees a tool to resolve their problems
- Help avoid litigation
- Alert you to problems within your organization

### **Factors impacting of the General Grievance Handling**

The rise of the industries is sharp but the growth can't be stated as dynamic growth because of their lack of employee engagement and morale in the function of relationship between the superior subordinate in the workspace culture the organization are experiencing an increased pressure to wind down cost, higher quality and lowest time of delivery to sustain in the comparative market, so they are cornered on focusing to the factors of their value-added product delivery

The concept of proper grievance redressal is the key aspect which directly result the impact of the effectiveness and the performances of the organization growth. The concept can be fully implemented when the higher management involvement is higher due to the knowledge and education on the concept can be pr-voided to these employees can be assessed rapidly or some initiative by top level bodies , according to earlier studies shows that the practice of the grievance management improves the relationship of the work among organization due to the fact that employee engagement and concertation are the fine points to getting the business on track at the fullest level of efficiency . Which is a win – win game for all the employee and employer at the same time.

The proper grievance management cannot be achieved not only by having employee concerns they also must be included throughout the departments in all the stages of employment

There are many barriers faced in industries on implementing the concept of conflict management, due to the fact that the many fortune 500 companies practice various

strategic engagement which will blur the issue for a temporary resolve but certain cases the issue rises again. this may result in the fact that only established company must only practice the concept of proper conflict management and

redressal policies which can be identified by the studies and the result shows a clear pathway of the implementing in a larger scale to improve and implement ever more productivity.

## II. REVIEW OF LITERATURE

1. Numerous studies have highlighted the importance of effective grievance handling procedures in enhancing organizational performance. **Adams et al. (2019)** found a positive correlation between timely grievance resolution and employee satisfaction, leading to improved performance indicators such as absenteeism and turnover rates. Similarly, Smith and Jones (2021) emphasized the role of transparent and fair grievance mechanisms in fostering a positive work environment, which, in turn, positively influences organizational performance metrics.

2. **Sarwar, A., & Muhammad, L. (2020)**. The research investigates the impact of service failure and complaint handling on customer satisfaction, subsequently affecting overall satisfaction and brand credibility. Conducted in Persian banks in Iran with 384 respondents, the study utilizes structural equation modelling for analysis. Results indicate that service failure reduces customer satisfaction with complaint handling, while effective complaint handling boosts it. Moreover, satisfaction with complaint handling positively influences both brand credibility and overall satisfaction, which in turn enhances brand credibility. The study suggests that prompt complaint handling positively affects customer satisfaction and, consequently, strengthens brand credibility. Thus, banks are advised to implement efficient customer relationship management systems to ensure swift responses to complaints, potentially improving customer satisfaction and bolstering brand credibility. The findings provide valuable insights for bank managers to enhance complaint handling processes and devise effective service recovery strategies to bolster brand credibility

3. **Hongal, P., & Kinange, U. (2020)**. In today's competitive environment, an organization's talent is its primary source of competitive advantage, and its performance relies heavily on the performance of its employees. Talent management, including both acquisition and retention, has become increasingly complex and critical. However, there is a notable talent shortage in various sectors and countries, leading to a problem of "Talent Mismatch." With the demand for multitasking skills rising, talent acquisition is becoming more challenging, making it difficult to find the right person for a job. Retaining talented employees has also become a significant challenge. HR departments need to act more strategically, focusing on building employee engagement, which is crucial for effective talent management. Talent management encompasses how individuals enter, progress, and leave the organization and requires a strong organizational structure for success. Implementing talent management strategies effectively can enhance employee engagement and ultimately improve organizational performance. This study aims to explore the relationship between talent management and organizational performance through empirical research evidence gathered from literature reviews. The findings of this research paper can provide valuable insights to HR managers, emphasizing the importance of talent management as a strategic tool for building employee engagement and enhancing organizational performance.

4. Furthermore, studies have explored the impact of different grievance resolution approaches on organizational performance. For instance, **Taylor et al. (2022)** compared traditional hierarchical grievance processes with alternative dispute resolution methods and found that organizations adopting collaborative approaches witnessed faster conflict resolution and improved employee morale, leading to better overall performance.

### Objectives of the study:

The study aims to achieve the following objectives:

- To assess the current grievance handling procedures implemented in selected industries.
- To evaluate the perceived effectiveness of grievance handling procedures in addressing employee concerns.
- To analyse the impact of grievance handling procedures on employee morale, productivity, and organizational performance.
- To identify best practices in grievance handling that contribute to enhanced organizational performance.
- To provide recommendations for improving grievance handling procedures based on research findings

### Need For the Study

There are many consecutive needs for the study as, follows

The study's prime focus is to lead a Hassel free workspace and harmonious relationship among management

Social Responsibility among business personnel and management employees

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Employee engagement and employee productivity increasing  
Raising redressal awareness among employees in the organization

**Statement of the Problems:**

Grievance in the organization, if not resolved or properly handled, creates ineffective workers which would result into poor employee relation and create a downline in performance of the organization. this study will show light in the elements and provide a solution for future research.

**III. RESEARCH METHODOLOGY**

The study employs a descriptive survey research design to investigate the impact of grievance handling procedures on organizational performance across various industries. This design allows for the collection of data that describes the characteristics of the phenomenon being studied.

**Data Collection Instrument:**

A structured questionnaire titled "Impact of Grievance Handling Procedure in Organization Performance Questionnaire" (IGHPOPQ) will be developed for data collection. The questionnaire will comprise sections addressing various aspects of grievance handling procedures, organizational performance, and demographic information.

**Data Analysis:**

The collected data will be analysed using descriptive statistics such as frequencies, percentages, and measures of central tendency. Additionally, inferential statistics may be employed to examine relationships between variables and test hypotheses.

**Sample size of the study:** The total sample size of the study is 100.

**Limitations:**

Potential limitations of the study include sample representativeness, self-reporting biases, and external factors influencing organizational performance beyond grievance handling procedures. By employing a robust research methodology, this study aims to provide valuable insights into the impact of grievance handling procedures on organizational performance across industries, contributing to the existing body of knowledge in this area.

**IV. RESULTS & INTERPRETATION**

**CHI-SQUARE HYPOTHESIS**

Null hypothesis (H0): there is NO signification association between the number of employees in the organization and grievance handling Procedure by the organization

Alternative hypothesis (H1): there is signification association between the number of employees in the organization and grievance handling Procedure by the organization.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
No of Employee * *Grievance handling procedure practice by organization	100	100.0%	0	0.0%	100	100.0%

No of Employee * *Grievance handling procedure practice by organization Crosstabulation						
		Count				
		*Grievance handling procedure practice by organization				Total
		Open door polices	Step ladder police	opinion survey	Exit interview	
No of Employee	male	15	22	15	3	55
	female	8	20	14	3	45
Total		23	42	29	6	100

Chi-Square Tests									
	Value	df	Asymptotic Significance (2-sided)	Monte Carlo Sig. (2-sided)			Monte Carlo Sig. (1-sided)		
				Sig	95% Confidence Interval		Sig	95% Confidence Interval	
					Lower Bound	Upper Bound		Lower Bound	Upper Bound
Pearson Chi-Square	1.273 <sup>a</sup>	3	.736	.760 <sup>b</sup>	.676	.844			
Likelihood Ratio	1.293	3	.731	.750 <sup>b</sup>	.665	.835			
Fisher's Exact Test	1.364			.740 <sup>b</sup>	.654	.826			
Linear-by-Linear Association	.836 <sup>c</sup>	1	.360	.450 <sup>b</sup>	.352	.548	.260 <sup>b</sup>	.174	.346
N of Valid Cases	100								

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.70.  
b. Based on 100 sampled tables with starting seed 624387341.  
c. The standardized statistic is .914.

**INTERPRETATION:**

Since p value 0.736 is greater than 0.05 alternate hypothesis is rejected, null hypothesis is accepted, hence there is no significant association between numbers of employees with reference to grievance procedure practicing by the organization.

**One-way ANOVA**

**NULL HYPOTHESIS:**

Ho- there is NO significant difference between the genders of respondent with regards to how often the employees face grievance in the organization

**ALTERNATE HYPOTHESIS:**

H1- there is significant difference between the genders of respondent with regards to how often the employees face grievance in the organization

Bootstrap Specifications	
Sampling Method	Simple
Number of Samples	100
Confidence Interval Level	95.0%
Confidence Interval Type	Percentile

**One way**

ANOVA							
No of Employee							
		Sum of Squares	df	Mean Square	F	Sig.	
Between Groups	(Combined)	.132	2	.066	.260	.772	
	Linear Term	Unweighted	.063	1	.063	.249	.619
		Weighted	.060	1	.060	.237	.628
		Deviation	.072	1	.072	.283	.596
Within Groups		24.618	97	.254			
Total		24.750	99				

Multiple Comparisons						
Dependent Variable: No of Employee						
Tukey HSD						
(I) Employee face grievance in the organization	(J) Employee face grievance in the organization	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Frequently	Occasionally	.01368	.13418	.994	-.3057	.3331
	Rarely	-.08497	.17038	.872	-.4905	.3206
Occasionally	Frequently	-.01368	.13418	.994	-.3331	.3057
	Rarely	-.09864	.13724	.753	-.4253	.2280
Rarely	Frequently	.08497	.17038	.872	-.3206	.4905
	Occasionally	.09864	.13724	.753	-.2280	.4253

Bootstrap for Multiple Comparisons						
Dependent Variable: No of Employee						
Tukey HSD						
(I) Employee face grievance in the organization	(J) Employee face grievance in the organization	Mean Difference (I-J)	Bootstrap <sup>a</sup>			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
Frequently	Occasionally	.01368	-.00567	.12610	-.20697	.31971
	Rarely	-.08497	-.01072	.18840	-.41729	.35844
Occasionally	Frequently	-.01368	.00567	.12610	-.31971	.20697
	Rarely	-.09864	-.00504	.14298	-.38217	.17894
Rarely	Frequently	.08497	.01072	.18840	-.35844	.41729
	Occasionally	.09864	.00504	.14298	-.17894	.38217

a. Unless otherwise noted, bootstrap results are based on 100 bootstrap samples

No of Employee		
Tukey HSD <sup>a,b</sup>		
Employee face grievance in the organization	N	Subset for alpha = 0.05
Occasionally	65	1.4308
Frequently	18	1.4444
Rarely	17	1.5294
Sig.		.784

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 23.119.

b. The group sizes are unequal. The harmonic mean of the group sizes is used.

Type I error levels are not guaranteed.

**INTERPRETATION**

Since p value 0.772 is greater than 0.05 alternate hypothesis is rejected, null hypothesis is accepted, hence there is no significant difference between the gender of respondent with regards to how often the employees face grievance in the organization.

**CORRELATION**

**HYPOTHESIS**

Null hypothesis (H0): There is NO significant relationship between the number of years of employment in the current organization and the reasons behind the grievance faced by the employees

Alternative hypothesis (H1): There is significant relationship between the number of years of employment in the current organization and the reasons behind the grievance faced by the employees.

<b>Descriptive Statistics</b>			
	Mean	Std. Deviation	N
Year of work in organisation	1.7600	.85422	100
Reason that grievance employee face	2.8900	1.10000	100

<b>Correlations</b>			
		Year of work in organisation	Reason that grievance employee face
Year of work in organisation	Pearson Correlation	1	-.050
	Sig. (2-tailed)		.622
	N	100	100
Reason that grievance employee face	Pearson Correlation	-.050	1
	Sig. (2-tailed)	.622	
	N	100	100

**INTERPRETATION**

Since the correlation between reasons that grievance faced in the organization and the years of work in the current organization are negatively correlated (-0.050) there is very least significant relationship between the variables.

**V. FINDINGS**

- Majority of the respondents believe regular audits for improvement issues is the remedies to overcome (28%)
- Since p value 0.736 is greater than 0.05 alternate hypothesis is rejected, null hypothesis is accepted, hence there is no significant association between numbers of employees with reference to grievance procedure practicing by the organization.
- Since p value 0.772 is greater than 0.05 alternate hypothesis is rejected, null hypothesis is accepted, hence there is no significant difference between the gender of respondent with regards to how often the employees face grievance in the organization.

**VI. SUGGESTIONS**

As A Result of The Current Study, It Is Suggested That A Specific Grievance Handling procedure, Cell or Committee for Workers Should Be Established and Provide Practical Workshops to Make the Employees Aware of The Redressal Process. The In-Charge Manager Should Be Able to Detect All Grievances and Take Appropriate Action. Implement A Process to Eradicate the Sources Of The Employees' Grievances So That They Remain Loyal And They Are Devoted To Their Task.

**VII. CONCLUSION**

Based on numerous literature reviews and data collecting, various techniques and barriers were identified in this study report. An effective grievance procedure ensures a productive workspace because it redresses the issues to mutual satisfaction of both the employees and the managers. It also assists management in developing processes and structures that are acceptable to the employees. It becomes an efficient platform for the employees to communicate their thoughts, discontent, and dissatisfaction openly and formally.

The root causes of the grievance arising is inadequate wages and bonus and also the key reason is Unachievable & irrational targets and standards and to rectify the causes certain remedies are recommended namely creating awareness program, providing practical workshops and conducting regular audits for improvement issues will result in creating a harmonious workspace in the organization

The research revealed that a few adjustments in organizational structures and procedures are needed to improve employee productivity. Management needs to improve their interaction with their employee regarding their concerns. The company has to limit the number of unachievable targets and rational process and provide more training for the employees. To redress grievances faster, the organization, response time, and effort must be increased, and this helps to eliminate grievances within the company.

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