

## Unit 9 Labour relation-Grievances and Disputes Settlement

Labour relation is defined as the interrelationship between workers, employers, government and other social authorities. In other words, it is a common ground to harmonize the discrepancies between workers, employees and society.

### Purpose of labour relation:

The purposes of labour relation are as follows:

- a. Institutionalization of relationship: The major objective of labour relation is to develop harmonious relation under legal framework. Labour relation generates the understanding of rules and regulation and helps all parties to act or work accordingly. E.g. the trade union- Act describes the role and responsibility of union members, the Labour Act makes provision for the welfare and right of the employees for collective bargaining.
- b. Industrial peace: Labour relation ensures industrial peace through collective bargaining. Any problem created or generated is handled effectively through negotiation and discussion that helps on fostering peace in an organization.
- c. Open communication: Labour relation encourages open communication between concerned parties i.e. labour union, management and government etc. Open communication clarified the issues and grievances of labour, which is helpful in solving them constructively.
- d. Change management: Change management is only possible when there is acceptance of change by labors. Labour relation encourages innovation and imagination, to make a firm competitive in the local as well as global scenario, which is how change management is possible.
- e. Productivity: Effective coordination and cooperation are necessary for enhancing productivity in an organization. So, to improve efficiency of both employees and organization, labour relation plays vital roles.

### The actors of industrial relation system

The key actors of labour relation system are workers, employers and society.

- a. Workers and Unions: Workers are the people who sell their physical and intellectual skills and abilities to the organization. Without them organization cannot imagine of any implementation of their plans and activities. So, in developing a sound industrial relation they play a direct role. And any issues of the workers if not addressed effectively may leads to strike, lockout etc.  
The representative body which negotiates with the employers for the mutual interest of workers is called unions. The workers problems are vocal by unions. It is an organization of workers which inform, warn and pressurize the employers to address the workers problems constructively. Along with the workers the union also play vital role in creating the sound industrial relation.
- b. Employers and Employers' association: Employers are the people who buy the physical and intellectual skills and abilities of workers. They are the job creators. They are the

entrepreneur, innovator, managers etc, determined to achieve their mission by collectively utilizing the effort of workers. So, in generating a sound labour relation, their role is vital. Employers are represented by employers' association. They vocal on the welfare of employees and involve in negotiating with labour unions for mutual benefits. Thus, along with the employees this association also play important role in creating a sound labour relation system.

- c. Society: Society includes both government and other pressure groups.

Government formulates rules and regulation, monitors the activities of both labors and employers, and enforces the compliances of law in labour relation. It plays vital role in institutionalizing the labour relation.

Other actor in labour relation system is pressure groups .These are the special interest group like Human Right Commission, Civic Society, Environmentalist ,media etc. They lobby and pressurize government to protect the interest of labour and employers.

### **Employee Grievances:**

It is a complaint of dissatisfaction against employers, that may caused by different factors like wage, working hours, working condition of employment etc. In other words, it is an employee's perception of unfair treatment on the job.

According to Trotta, "A grievance is a complaint about a job that creates dissatisfaction or discomfort, whether it is valid or not. The complaint may be made by an individual or by the union."

Similarly, according to Keith Davis, "Grievance is any real or imagined feeling of personal injustice that an employee has about the employment relation."

Thus, grievance is a formal complaint on factual or imaginary hardship suffered by the employees to the employers.

### **Causes of employee grievances:**

The causes of employee grievances are as follows:

- a. Unclear job contracts between management and labour: The job contract between management and labour must be clear. It means terms and condition of job such as pay, other benefits ,job level, workplace ,job goals as well as the employees' expectation from the job must be clear between both the parties. So, when they are unclear, both may interpret on their own way which creates employee grievances.
- b. Violation of labour agreement by management: When management deliberately violates the labour agreement such as lower pay, inequitable treatment, unsafe working places etc. then, a grievance arises.
- c. Unfair labour union practice: Labour unions are the representative body of workers who works for employees' benefits. However, due to political motivation such unions even interfere unnecessarily on working process of organization. This is also a cause of employee grievances.

- d. Perceived unfair treatment by superiors: Due to unfair supervisory role against subordinates, such as, unclear instruction, scolding, unfair treatment, harassment etc causes employee grievances in an organization.
- e. Personality trait: Some employees are always complaining. Due to inferiority complex or having the habit of drawing unnecessary attention towards oneself, employees complain on every little matter. They are habituated in voicing grievances.

### **Handling employee grievances (grievance procedure):**

Following are the methods of handling grievances:

- a. Open door policy: Under this policy, employees can freely complain about their problems to management. They walk-in any time and express their grievances. Management encourages expressing their problems, and handling them effectively in a mutually satisfying way. This method is popular in small organization and is helpful in promoting upward communication from employees to management.
- b. Grievance procedure: It is a formal organizational mechanism for dealing with employee grievances. The steps in grievances procedure are: (figure from Book)
  - i. Grievant to Supervisor: Firstly grievant orally communicate with his/her immediate supervisor. The supervisor discusses and gives decision to the problem. If the grievant is not satisfied on decision or solution, s/he proceeds further to next step.
  - ii. Grievant to Department Head: When grievant is not satisfied with the supervisor's solution, s/he communicates with department head in written form i.e., s/he files the problem. Department head gives his/her decision for concerned issue in a fixed time period. And, if it still not satisfies the employee, s/he proceeds further to grievance committee.
  - iii. Grievant to Grievance Committee: The committee which comprises both the employers and employee to handle grievance is a grievance committee. When employee is not satisfied with department head's solution or decision, the problem is presented to grievance committee. After careful analysis, the grievant committee gives its decision. And if the decision is still not satisfying to employee s/he may proceeds to top level management.
  - iv. Grievant to Top Level Management: After careful analysis top level management gives decision to employee to solve the problem. Again, if top management decision does not satisfy the employee s/he proceeds to final solution procedure, i.e. voluntary arbitration.
  - v. Voluntary Arbitration: It is an independent third party ,whose decision will be final and is binding on both parties .When employee is not satisfy with top level management's decision, the grievance is referred for voluntary arbitration .Here, both parties present evidence and are cross examined and final decision is made, which must be followed by both the parties.

## **Labour Disputes:**

Dispute is an argument. In other words, labour disputes are defined as the disagreement on issues or problems of workers with management.

In organizations disputes occur on the interest and rights of workers with the management. The major causes of disputes are, wage and salary, other fringe benefits, personal cause, indiscipline etc.

## **Prevention of disputes:**

Following are the ways of preventing disputes in organizations:

- a. Open communication: There must be open communication between workers and management. Effective communication helps both the parties to understand each other and helps in analyzing the issues for constructive solutions.
- b. Regular monitoring: Regular monitoring of work helps to fine out the discrepancies in the behavior of workers. If the superior find any such changes, then s/he acts effectively to solve it which helps on preventing disputes.
- c. Participation: Employee participation on decision making helps on preventing disputes in an organization. Effective participation builds trust and enhances motivation which is major factors for preventing disputes.
- d. Equity: Equitable treatment on salary, participation, career development etc to the employees is helpful in preventing disputes in an organization.
- e. Feedback: Feedback helps the employee to know what they are doing and correct if there is any deviation between actual and standard performance. It also helps in enhancing confidence level of an employee. Thus, feedback also consider as a major tool in preventing disputes.
- f. Collective bargaining: It is a process through which representative of management and the union meets to negotiate a labour agreement. So, contract resulting from collective bargaining helps in preventing disputes in an organization.
- g. Counseling: Counseling is also an effective tool to prevent labour disputes. It helps to understand the problem of employees and take effective solutions.

## **Settlements of Disputes:**

Methods for disputes settlements are as follows:

- a. Grievance procedure (Individual decision): It is a upward communication process through which a worker can take his/her grievance to successively higher levels of management.
- b. Collective bargaining (Group/Joint Decision): This method is widely used for the settlement of labour disputes. Under this, the labour union negotiates with management for the settlement of disputes which benefits mutually.
- c. Adjudication method (Third party decision): It is a process of settling disputes by ordinary courts, labour courts or a tribunal. The decision under this method is final and binds both the parties to follow.

**Dispute settlement process in Nepal (Home-Assignment)**

