A Preliminary Study of Grievance System in Non-Unionised Companies

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Abstract

Dispute resolution within the non-union workplace varies from employer to employer. As compared to unionised companies, most of the non-unionised entities do not have a formal employees’ complaint system. The objective of this study was to identify the employees’ complaint system applied by the employers in the non-unionised companies. In this study, a multiple case study approach was employed on eight respondents who were the employers of the companies. Several interview sessions were conducted in order to obtain the data from the respondents. The results showed that open-door polices was the most frequent complaint system used by the employers in non-unionised companies that was equivalent to 75% of the total respondents. In open-door policies, it was found that the respondents had different approaches in resolving the grievance. Some of them employed direct complaint method or through peer assistance or with initiative of the employer himself to approach colleagues of the grievant worker to figure out the issue.

Keywords: Grievance system, non-unionised companies and employee’s complaint system
Introduction

Unlike in unionised organization where the grievance system is more structured and orderly formed, it is hard-pressed for the non-unionised organisation to meet the above criteria. One of the challenges is that without the existence of such a union, workers are in hope that their rights are taken care of by their own employer. Worst still, every employer has different perspectives over the right of his employees. Thus, the question whether they are treated with due processes especially when the dispute arises is still unanswered. Developed countries like the United States and Britain have long issued code of conduct for the industries to resolve the grievance. In Britain for instance, an independent body called Advisory, Conciliation and Arbitration Services (ACAS) issued a code of practice that guides the organization dealing with workers' grievance. The supplementary of such code is imperative as it guides the industries of certain procedures or methods to be adhered in resolving and grievance system effectively. As Peterson (1990) said that the effectiveness of employee's complaint system is crucial in order to minimize the grievance among employees. Further, it could alleviate the number of workers leaving the organization and contribute to the productivity at workplace. In Malaysia, due to non-existence of such guidelines, unionised and non-unionised organization tends to practise a variety of methods in resolving the employee's complaint (Nazir, Adi et al., 2012). The effectiveness of such method is questionable and lack of elements of fairness and justice. In some cases, the employers do not provide any single practice or system in resolving the employees' complaint. Thus, this study was intended to identify the diversity of practices of grievance system that leads to resolution of employees' complaint in non-unionised setting.

Review of literature

There is a scarcity of literature on the implementation or process of grievance system in a non-union entity locally and internationally. To have an insight of this topic, we found many efforts have been done by several authors like (Budd & Colvin, 2008; McCabe, 1998; Taras & Kaufman, 2006; Dundon & Gollan, 2007 and Blancero & Dyer, 1996) who were focusing on employee complaints studies particularly in non-union setting. The major problem is that those studies were carried out outside Malaysia from which work environment and legal framework are relatively different. In the United States, grievance system has been utilized as one of the alternative dispute resolution (ADR) either in union or non-union employment. Based on the literatures, we brought up several techniques or types of resolving the grievance in non-union workplace that are relevant in this country.

Open-door policies

Open-door policies can be considered as a traditional way of resolving the employees' complaint. This system requires an employee to bring up his grievance, dissatisfaction, complaint or any issue relating to the working condition directly to his employer or any person appointed by him. Invariably, there is no formality needed in this system. What is more important is that the courage and willingness of the worker to bring up the issue to the knowledge of employer. There are also tendencies that the employees not to complain due to
the fear of employer’s reprisal (Blancero & Dyer, 1996; Rowe, 1989 and Bacharach & Bamberger, 2004).

The management of a company encourages its employees to relieve their pent-up complaints or grievances by means of friendly, informal, and confidential talks with the supervisors or managers of their choice at all levels of the managerial hierarchy, including, ideally, the president (McCabe, 1988). Budd & Colvin (2008) opined that this method strongly favors efficiency by making for quick and cheap resolutions and promotes productivity efficiency by allowing unconstrained management decision-making.

To summarize, some characteristics of open door policies that can be adduced from the literatures are speedy, management discretion, no need of hearing and even no cost incurred by the parties. However, this technique has received several criticisms of its drawback that is the lack of "voice" on the part of the employee who is in hopes of getting expected response from the employer. This technique does not also provide any opportunity for the employee to appeal if the decision is not in favor of him. Thus, though it guarantees efficiency, the procedural fairness towards the decision-making leaves unsecured.

Pre-Review System

Basically, peer review system or peers board is when a number of employees sitting together with the representatives of the employer that decides the employee complaints. This method is also known as internal corporate tribunals. It is much more or less like a formal union grievance system, which is practised, in union setting. Unlike open-door policies internal corporate tribunals or peer review system have received a much more favorable review in the literature (McCabe, 1997). The incorporation of the employee representative in the panel or board has made this system more worthwhile and appreciated especially for grievance worker. According to Budd & Colvin (2008) the peer review procedures shift the emphasis between efficiency, equity and voice. The idea of the employee involvement in the dispute resolution is worthy for the future research (Colvin, 2003). To state clearly the difference between non-union open-door policies and nonunion peer review, Budd and Colvin (2008) has attempted to introduce the Geometry of Dispute Resolution Framework as follows:

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 voice

 NOD NPR

 efficiency

 equity
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Figure 1 : Geometry of Dispute Resolution (source :adapted from Budd and Colvin, 2008)

The above figure shows that how nonunion peer system and open door policies work in relation to 3 metrics of dispute resolution as developed by Budd & Colvin (2008). Those metrics are equity, efficiency and voice. Equity means fairness and justice such as unbiased decision making, effective remedies, consistency, reliance on evidence, opportunities for appeal and protections against reprisal. While voice is defined as ability to participate and affect decision-making which include hearings, obtaining and presenting evidence, representation by advocates, use of experts and input into design and operation of a dispute resolution system, participation in determining the outcome and lastly efficiency which encompasses cost, speed and promotion of productive employment (Budd & Colvin, 2008). In nonunion organization, peer review system is seen to have greater element towards voice and equity but has its less favorably towards efficiency while nonunion open policies is the other way around.

In summary, the peer review system can be considered as a savior for the open-door policies. It fuels with some essential values of equity and voice with little bit lack of efficiency. Given the advantages of this system, it guarantees the element of fairness and justice by giving the opportunity for appeal and avoiding biasness in decision-making. Hence, the employee is able to participate and be represented. A little drawback that this system may take time to reach the outcome at it has to go certain procedures like hearings and so on.

Management Appeal Procedures

Due to the drawback of open-door policies that typically does not provide the formal step for appeal, more non-union grievance system started introducing more formal multistep procedures. According to (Budd & Colvin, 2008), this method is a replication of a formal unionized grievance system but at each stage of procedure the manager is the decision maker. In other words, it is an upgraded version of open door policies with additional step of an appeal. Little studies were found in the journal about management appeal procedures. Some studies by (Feuille and Delaney, 1992;Colvin 2004 and Budd & Colvin 2008) revealed that these procedures had its disadvantages upon workers, as it does not provide any formal hearing and certain essential component of it like calling upon the witnesses and also adducing the evidence.

Methods

In this study, the research design was determined by using multiple case studies. According to Yin (2003), a case study is appropriate in the following study:

The type of research question: typically to answer questions like ‘how’ or ‘why’
Extent of control over behavioural events: when investigator has a little/no possibility to control the events
General circumstances of the phenomenon to be studied: contemporary phenomenon in a real-life context

A multiple case study enables the researcher to explore differences within and between cases. The goal is to replicate findings across cases. Because comparisons will be drawn, it is imperative that the cases are chosen carefully so that the researcher can predict similar results across cases, or predicts contrasting results based on a theory (Yin, 2003). According to Yin (2003), multiple cases are imperative if "replication logic" is supposed to reveal support for theoretical in similar results and contrasting results for predictable reasons. A multiple or collective case study will allow the researcher to analyze within each setting and across settings. While a holistic case study with embedded units only allows the researcher to understand one unique/extreme/critical case. In a multiple case study, we are examining several cases to understand the similarities and differences between the cases (Baxter & Jack, 2008). In the present study, we selected respondents from small and medium industries of non-union companies whose number of workers ranging from 15 to 30 persons.

Sampling

Sampling method in a qualitative case study must be contrasted to those in a quantitative method. The sample should be likely to generate rich information on the type of phenomena, which need to be studied, and should enhance the 'generalizability' of the findings (Miles and Huberman, 1994). In this study a purposeful sampling procedure was employed whereby we only selected participants from small and medium companies in Pt. Raja. According to Patton (1990), purposeful sampling is a method that is typical of case study methodology.

Interview and Analysis

In this study, we conducted interviews to 8 respondents from small and medium enterprises. Most of the respondents were the owners or employers of the business. Semi structured questionnaire was developed as a guide for us when conducting the interview session. The data analysis consists of 3 major processes as developed by Miles and Huberman (1994) i.e. data reduction, data display and conclusion drawing and verification were employed in analyzing the data.

Findings

The main objective of this study is to identify how the employers handle the employee’s complaint in the non-unionised organization of small and medium industries in Pt. Raja.

Finding: the overriding finding of this study is that the open-door policies ranked the first method that has been practised in the non-unionised organisation of small and medium industries in Pt. Raja. There were 6 out of 8 respondents (75%) who were interviewed chose to resolve the employees’ grievance by using this method. Those respondents were Company B, C, D, E, F and G.

Firstly, Company B has been practising open-door policies in grievance system since the establishment of the company. According to its employer, workers will normally communicate their problems and dissatisfaction to their colleagues. Thus, he had to refer those
colleagues in order to resolve the issues. However, when there is a different and conflicting version of story between the grievance worker and his colleagues, the company subsequently encouraged them to see the employer directly. He described the process in the following ways:

“My workers tend to raise up their problem with their friends at work..then they came to see me but unfortunately what their friends had told me were not the real situation that has happened that is why I prefer them to see me directly..

Similarly Company C stated that:

“My employees are free to see me at any time they like”

The fourth respondent Company D also encouraged his employees to see him directly in the event they have some issues or problems at workplace. He preferred that his employees to discuss with him and resolve the matter speedily and effectively. He further stated:

“I like my employee coming to see me at once . the sooner they come, sooner the matter resolved. I hope they can bring good suggestions for the company.”

Similarly the fifth respondent Company E said:

“our company has just been established there is no much problem arise but if they are not satisfied, they can come to see me directly.....well we don’t want their problem hindering our company to grow.”

The sixth respondent Company F who is also the manager of the company stated that the company is practising open-door policy. He likes to mingle with his workers in order to strengthen their relationship. On top of that, workers are highly encouraged to give ideas for the development of the company’s product. The respondent enunciated in the following ways:

“I always monitor my workers at workplace and ask them their problem if they can tell me”

The other method of handling the grievance is through the management appeal. There were two respondents (25%) were found to practise this method. Those respondent were Company A and H.

For instance, the first respondent Company A stated in the following ways:

“Sometimes my employees are shy to tell their problem so in order to resolve this problem I have to appoint a representative among them to do my role the problem persists I have to resolve it.”
The first respondent Company A has given a mandate among his employees to be a "middle man" to thrash out the problem among them. The person in charge in this matter usually is an operation manager appointed by the employer. He will receive any comment, suggestion or complaint from workers. The issue that is not resolved will be brought to the employer.

The last respondent (company H) was interviewed and asked about how was the company’s approach in resolving the employees’ complaint. The respondent delivered in the following ways:

"I’m little bit busy and not always in the office. I have appointed a special manager dealing with workers' problem. They can see him. But in case the problem can not be resolved, the manager or that particular worker will see me and I try to resolve his problem.

The summary of the interview session can be illustrated in the following table:

<table>
<thead>
<tr>
<th>RESPONDENTS</th>
<th>TYPES OF GRIEVANCE HANDLING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Open-door policies</td>
</tr>
<tr>
<td>Company A</td>
<td>NIL</td>
</tr>
<tr>
<td>Company B</td>
<td>Co-worker will communicate to the employer, then the employer investigate and resolve the issue</td>
</tr>
<tr>
<td>Company C</td>
<td>Direct see the employer</td>
</tr>
<tr>
<td>Company D</td>
<td>Direct see the employer</td>
</tr>
<tr>
<td>Company E</td>
<td>Direct see the employer</td>
</tr>
<tr>
<td>Company F</td>
<td>Direct see the employer</td>
</tr>
<tr>
<td>Company G</td>
<td>Sometimes the employer has to ask the colleague, the employer resolves</td>
</tr>
<tr>
<td>Company H</td>
<td>NIL</td>
</tr>
</tbody>
</table>

Table 1: Summary of the Interview
Discussion and conclusion

The study showed that the classical type of non-union grievance system i.e. open-door policies was identified to be the most popular method among employers in non-union enterprises in Pt. Raja. As noted earlier, out of 8 respondents, 6 concurred that their organizations practise open-door policies in various ways that were direct complaint or through peer assistance communicating to the employer or the employer himself had to see colleagues asking about the grievance. But all in all, most of the employers preferred that their workers to see them directly so that the issue can be resolved speedily. Thus, this study confirmed the previous studies carried out by McCabe (1998), (Budd & Colvin, 2008), that the employer who practised open-door policies was concerned on the issue of efficiency that the grievance was to be resolved within a short period of time without considering the other vital elements like due process. As Peterson (1994) commented that this system has its weak link on the procedural and substantive fairness.

In the present study, the management appeal procedure was not taken up by many of the respondents. Two respondents (Company A and H) took the initiative to give an opportunity for the employee to appeal in the event that the grievance cannot be resolved in the peer level. This system should have been practised widely in the industries as it has the element of procedural due process where an appeal is allowed in the system. In other words, it is upgradable process of open-door policies. However, one there are other elements that have to be taken into consideration. Though it provides the avenue for an appeal, the drawback of this system is that the employee has no room to be represented by the independent assistance or representation. This study concurred with Feuille and Chachere(1995) who found that there was a lack in formal hearing and examination of evidence adduced in this system. In our study, we found the employer appointed a representative among the employers and left them to disentangle the problem themselves. Hence, the appointment of such representative was made orally and without a formal procedure. In the present study, the representative acts as a "messenger" to the employer in resolving the employee complaints. The employer will be a final resort especially when the problem cannot be resolved in the manager level. As far as the peer review is concerned, there was no respondent who practised this system. This system requires a panel consisting both representative from management and workers to decide the grievance or issue disputed. Apparently, there was no organization in this study forming a special panel or committee that dealt the employee complaint.

In a nutshell, several suggestions can be made based on this study:

Employers particularly in non-union workplace to shift their paradigm from old practice of open door policies towards more systematic grievance system.
In developing a grievance system, one should not only take into account the speediness of its resolution but also the fairness and justice of the grievant workers.
This study is restricted to small participants of small businesses. Therefore, we recommend that a survey of a large sample should be conducted to assess the practice of grievance system in this type of workplace and also to correct our bias. The future studies that produce a framework or model of the best practice of grievance system particularly in non-union organisation is utmost welcomed.
It is highly recommended that the related public authority to issue a seamless code of practice or guidelines either or both for unionised or non-unionised companies governing the grievance system in Malaysia.
References


