

Organizational Practices in Grievance Redressal and their Impact on Employee Trust

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Abstract

Organizations should establish grievance redressal systems to develop and sustain trust between themselves and their employees. The success of organizations depends heavily on employee trust, which creates a positive work culture. The research investigates how organizations deal with workplace complaints through their legal requirements such as Works Committees and Grievance Redressal Committees under the Industrial Disputes Act, 1947. The research examines both mandatory and voluntary employee initiatives through cultural surveys, canteen committees, transport committees and employee forums. The research draws its data from secondary sources, which include academic literature organizational reports and HR policies. The research adopts a theoretical framework which posits that proper grievance management through transparent and fair procedures will boost employee trust and belief in organizational fairness. The research demonstrates that organizations with formal grievance procedures create better psychological safety, higher employee commitment and satisfaction. The research provides practical recommendations for creating grievance systems which establish trust and minimize dissatisfaction while supporting business growth. The research integrates legal and voluntary workplace practices with academic evidence to demonstrate how employee trust develops through grievance management systems.

Keywords: Grievance redressal, employee trust organizational practices, procedural fairness, Industrial Disputes Act, employee satisfaction, workplace transparency

1. Introduction

Every organization needs to establish a grievance redressal system as their core process. The system enables organizations to preserve employee trust while promoting workplace equity. Nurse and Devonish (2006) explain that grievance management plays a crucial role in promoting workplace justice and employee trust. Employees develop grievances when they experience dissatisfaction or perceive unfair treatment regarding their employment circumstances. The workplace issues which employees face include compensation matters and workplace environment concerns and conflicts with colleagues and managerial decisions. The way organizations resolve employee concerns determines both their workplace culture and employee trust in management leadership.

The proper grievance redressal system provides staff members with straightforward methods to present their workplace concerns. The system provides employees with prompt, fair and transparent solutions for their workplace issues. The system operates as a management tool which provides organizational feedback. The system helps leaders identify persistent problems while showing them employee opinions to make better decisions about organizational system development. Management needs to investigate staff complaints about canteen food by evaluating food service providers and their results and establishing enhanced food preparation cleanliness standards. The organization achieves better employee satisfaction and enhanced public image through these initiatives.

Organizations need grievance procedures to establish trust between their employees and the organization (Naagar, 2024). The Industrial Disputes Act of 1947 requires businesses to create committees through legal

mandate. Staff members develop organizational trust when they believe their management team maintains fairness and keeps promises and upholds ethical standards for complaint resolution. Organizations today establish their own voluntary employee participation systems which extend past minimum legal obligations. The initiatives enable better employee-management communication which leads to increased trust between staff members and their managers (Wilkinson, Dundon, & Marchington, 2012).

The research investigates grievance resolution systems which operate under legal frameworks and non-statutory frameworks across various business sectors. The research provides theoretical insights about these systems while demonstrating their impact on employee trust levels. The research depends on secondary data sources which include academic studies and official documents and human resources policies and organizational reports.

2. Legal Framework for Grievance Redressal in Industry

The Indian system of industrial relations requires organizations to have grievance mechanisms. These mechanisms help maintain harmony at the workplace and ensure that disputes are settled fairly. The Industrial Disputes Act, 1947 is the main law that forms the foundation of this framework.

2.1 The Works Committee

The Industrial Disputes Act of 1947 requires all industrial establishments with 100 or more workers to establish a Works Committee under Section 3. The committee exists to protect industrial peace through its role of maintaining positive relations between management and staff members. The committee promotes open communication between parties to prevent workplace issues from escalating into official disputes (Visweswaraiah, 1990).

The committee achieves equal participation through its membership structure which combines management representatives with employee representatives. The committee functions as a preventive mechanism which handles employee complaints before they become major issues. The Works Committee maintains workplace cooperation through scheduled meetings which enable staff members to discuss matters collectively.

2.2 The Grievance Redressal Committee

The Industrial Disputes (Amendment) Act of 2010 introduced the Grievance Redressal Committee (GRC) as a new concept (Yasin & Nayyar, 2023). To implement this provision, industry should have at least 20 workers. The GRC requires equal numbers of representatives from both management and staff members. The GRC must handle individual complaints within a predetermined period, typically forty-five days.

The statutory committee exists to establish a fair which enables employees to submit their complaints through a quick and simple procedure. Employees can submit complaints about workplace conditions and workplace conduct and management decisions. The GRC maintains procedural fairness through its process which ensures all complaints receive proper evaluation and resolution in transparent proceedings.

2.3 Legal Relevance to Employee Trust

Organizations foster employee trust by relying on systems that safeguard treatment uphold fair practices and invite staff participation. A firm builds confidence by operating fairly and following compliance standards. (Onyekwelu et al, 2024). The Industrial Disputes Act however demands more, than adherence; it functions as a moral and cultural foundation that nurtures trust and bolsters employee well-being.

3. Non-Statutory and Voluntary Grievance Redressal Mechanisms

The statutory framework establishes fundamental legal standards which organizations must follow for grievance management. Progressive organizations develop voluntary employee participation systems which extend beyond statutory requirements. The supplementary systems operate separately from legal requirements. The systems promote workplace transparency, employee trust and open communication channels.

The foundation of workplace trust consists of three essential components which include reliability, honesty and staff welfare. Non-statutory grievance systems enable organizations to build stronger trust between employees and management. Staff members can use these systems to file unofficial complaints while getting quick responses and watching how management deals with workplace issues (Azash, Krishnmurthy, & Mamatha, 2023).

Many industries implemented voluntary grievance (non statutory) procedures which includes:

- a) Cultural Surveys: Many industries use to conduct engagement and cultural surveys to understand employee feedback about workplace fairness and management and inclusiveness and job satisfaction. The surveys function as diagnostic tools which help management identify upcoming workplace conflicts before they become major problems.
- b) Transport Committees: Organizations that operate manufacturing shifts or have shift-based operations need to address transport-related problems which include scheduling and safety and punctuality issues. Transport committees that include employee representatives help organizations solve problems quickly while making staff members share responsibility for their work.
- c) Canteen Committees: The main responsibility of these committees involves monitoring workplace canteen food quality and hygiene standards and service delivery. Organizations demonstrate their commitment to transparency through employee involvement in monitoring workplace areas. The approach enables organizations to transform employee complaints into teamwork based solutions.
- d) Employee Forums and Microlabs: The "People First" and "Microlabs" programs at the organization enable staff members to establish a secure environment which enables staff members to express their concerns.
- e) Leadership Interaction Programs: The "Coffee with the Managing Director" and "Samakshama - Business Update Sessions" provide employees with opportunities to present their feedback and concerns directly to the leadership. The meetings between leaders and staff members help build respect while showing employees they matter and creating feelings of workplace connection.

Organizations implement multiple practices which establish a grievance system that operates at different levels. Organizations that implement legal requirements together with employee participation programs build stronger employee trust and achieve higher workplace engagement.

4. Literature Review

Research studies about employee trust and grievance redressal systems show different patterns of employee conduct. Organizations that handle grievances through fair and transparent methods will achieve better employee trust and higher job satisfaction and performance outcomes. A grievance process that operates with fairness demonstrates that management prioritizes employee health and safety. The process enables

organizations to maintain workplace harmony. The following section presents essential research which demonstrates how organizations use grievance handling to build trust and achieve better performance.

4.1 Trust and Leadership

Organizational success depends heavily on the trust relationship between employees and their management team. Organizations that implement transparent grievance procedures develop trust between their leaders and staff members. Ethical leadership positively influences project outcomes by fostering trust and knowledge sharing (Bhatti, Kiyani, Dust, & Zakariya, 2021). Leaders who handle employee complaints with honesty and impartiality gain the respect of their staff members who perceive them as ethical and supportive. The way leaders handle complaints creates a positive impression which leads staff members to become more cooperative and follow management instructions. A balanced relationship between leaders and employees promotes workplace dialogue while minimizing workplace disputes. Proper utilization and adaption of grievance redressal system will help us to build trust and enhance the leadership quality.

4.2 Organizational Commitment

Industry / organization commitments enhance by adapting proper grievance management system. These systems help employees develop emotional bonds with their workplace. Employees develop stronger workplace loyalty when they experience grievance systems that demonstrate fairness and quick response times and actual problem-solving efforts. The trust employees develop with their organization leads them to stay longer while their psychological contract with their employer becomes stronger. Effective grievance management enhances employee commitment and perceptions of organizational justice (Dhanabhakym, 2022). Employees who feel their concerns will receive attention become more motivated to carry on their positive work contributions for the organization. The implementation of grievance redressal systems enables management policies to directly impact employee satisfaction levels.

4.3 Procedural and Interactional Justice

Organizations use procedural and interactional justice to describe their fairness systems. The treatment of employees during grievance handling processes constitutes the core of interactional justice. The process of fairness extends beyond results as it requires organizations to maintain respectful treatment of their employees. Leadership practices significantly influence employees' perceptions of interactional justice (Qandeel & Kuráth, 2025).

Organizations that combine rule-based decision-making with respectful communication will achieve better employee trust and satisfaction levels. Organizations need to create fair procedures for handling grievances and they must explain their decision-making methods to employees. The respectful treatment of employees during the process will help them maintain organizational trust even when their complaints do not receive full resolution.

4.4 Psychological Safety

Creating psychological safety in the workplace improves employee performance and engagement (Anyamesem - Poku & Parmar, 2024). The concept of psychological safety stands as a vital element which affects how organizations handle grievances. Psychological safety exists when employees can share their ideas and concerns and admit mistakes without facing any form of disciplinary action or public humiliation. A properly managed grievance redressal system establishes conditions which enable employees to feel secure when they express their concerns.

Management teams who demonstrate fair response capabilities will receive honest feedback and early issue reports from their employees. The practice of trust between employees and management leads to better teamwork and new ideas while decreasing workplace conflicts. The grievance system serves two purposes by solving current issues while building organizational trust and openness throughout the entire organization.

4.5 Organizational Excellence

Organizations that establish grievance systems effectively will achieve superior performance results and build trust relationships and maintain fairness in their operations. Organizations with efficient grievance systems maintain better employee retention rates and reduced absenteeism and higher employee satisfaction levels. The way organizations handle grievances determines how their employees perform and what results the organization will achieve (Wesonga & Van Der Westhuizen, 2024). Workers who experience fairness in their workplace environment show improved productivity and teamwork and stronger motivation to reach organizational targets.

The implementation of grievance systems allows management to identify essential organizational weaknesses. The system helps organizations identify ongoing employee problems which they can solve directly instead of handling superficial issues. The grievance redressal process serves as a strategic management tool which helps organizations uphold ethical standards and sustain ongoing improvement initiatives.

4.6 Summary of Literature

The research findings demonstrate that organizations need grievance redressal systems to achieve organizational justice and employee trust and sustainable business success. Organizations that implement fair and transparent grievance systems develop better relationships between their staff members and their management team. The systems promote open dialogue between staff members and their organizations while supporting positive workplace environments. The research evidence demonstrates that grievance redressal serves as a complaint-handling system and functions as a trust development tool which supports organizations to achieve fairness and employee satisfaction and long-term business success. Table 1 below shows the summary of key literature on grievance redressal and employee trust.

Table 1: Summary of Key Literature on Grievance Redressal and Employee Trust

Author & Year	Study Focus	Key Result	Link to This Study
Nurse & Devonish (2006)	Grievance and workplace fairness	Fair systems build trust	Shows trust grows from fairness
Bhatti et al. (2021)	Leadership and trust	Honest leaders build trust	Trust improves teamwork
Dhanabhakyam (2022)	Grievance and job commitment	Fair handling increases loyalty	Connects fairness to commitment
Qandeel & Kuráth (2025)	Leadership and justice	Respectful treatment builds trust	Supports fair communication
Wesonga & Van Der Westhuizen (2024)	Grievance and performance	Good systems improve results	Shows business benefits

5. Theoretical Framework: Grievance Redressal and Trust

This research is based on two main ideas: organizational justice and trust theory. Both help explain how fair grievance handling can increase employees' trust in their organization.

5.1 Organizational Justice

Organizational justice measures the extent to which staff members perceive their workplace as being fair. Greenberg & McCarty (1990) identified three justice types which include procedural justice, distributive justice and interactional justice. A grievance redressal system operates as a procedural justice system as it concentrates on the methods used to resolve problems. The process becomes more effective when it provides clear steps and unbiased treatment which demonstrates to employees that their concerns receive proper attention. The organization demonstrates equal treatment of all staff members according to their perception.

5.2 Trust Theory

Trust depends on three things - ability, benevolence and integrity. Interpersonal trust develops through consistent and reliable interactions between employees and management (Mauerer, 2018). A good grievance redressal system helps build all three:

- a) Ability - when management can solve employee issues quickly and effectively.
- b) Benevolence - when management shows care and concern for employee welfare.
- c) Integrity - when the process is honest, transparent and consistent.

5.3 Integration of Theories

The research demonstrates that employees experience respect and value when organizations handle grievances through fair and transparent procedures. The perception of fairness creates trust between employees and their organization. The combination of fairness and trust leads to better employee satisfaction and stronger employee commitment and improved workplace relationships between staff and their supervisors.

6. Research Methodology

6.1 Research Design

The research design follows a qualitative exploratory approach. The research depends solely on existing secondary information. The research aims to analyze existing literature together with policy documents and organizational reports. The research investigates how employee trust levels change due to grievance redressal systems.

6.2 Sources of Data

- a) Academic Literature: The research draws from peer-reviewed journals and books and previous empirical studies which examine grievance mechanisms and organizational trust.
- b) Government Documents: The Industrial Disputes Act, 1947 along with all its subsequent modifications serve as reference materials.
- c) Organizational Reports and HR Manuals: The research uses policy documents and case studies from Indian manufacturing and service organizations.
- d) Research Articles: Published papers examining procedural fairness, psychological safety and employee engagement.

6.3 Method of Analysis

The research depends on secondary data which includes books and journal articles and HR policy documents and government reports. The researcher studied all available sources to determine how organizations deal with employee complaints. The researcher combined all information to find recurring patterns which included fair treatment and open communication and swift resolution and employee trust. This research aim to show the impact of grievance redressal system on building trust and transparency between employees and management.

6.4 Scope and Limitations

This study focuses mainly on Indian organizations and their grievance handling systems. It looks at both legal (mandatory) and voluntary (non-mandatory) practices. Since the study uses only published information, it does not include surveys, interviews or new data collection. Therefore, the findings may not fully represent practices in other countries or industries.

Even so, the study provides useful insights into how grievance redressal systems can promote fairness and trust in organizations.

7. Discussion

Organizations that create open grievance systems which operate with fairness develop better employee trust in their management structures. Employees develop confidence when their organization demonstrates both attention and appropriate response to their concerns. The trust between employees and their organization depends on both mandatory statutory committees and voluntary forums established by organizations.

7.1 Building Trust Through Transparency

The process becomes more trustworthy for employees when they observe grievance cases being handled through transparent and honest methods. Management disclosure about complaint review and resolution processes helps employees understand they receive fair treatment. The practice of open communication establishes a secure environment which enables staff members to express their concerns freely.

7.2 Procedural Fairness and Equality

The process of grievance handling requires organizations to treat all staff members with equal respect. The decision-making process operates without any form of prejudice or special treatment. The consistent application of rules leads employees to experience both respect and value from their organization. Research indicates that organizational fairness leads to emotional trust development between staff members and their workplace.

7.3 Role of Management and Communication

Leaders who join grievance forums through "Coffee with MD" or "People First" sessions demonstrate their readiness to meet employees and their dedication to their health. Managers who engage in open dialogue create better relationships with their team members while simultaneously decreasing employee stress levels. The practice of open dialogue enables managers to solve problems efficiently which leads to better workplace relationships.

7.4 Integration of Statutory and Voluntary Practices

Organizations that implement both mandatory and voluntary grievance systems achieve better results in building employee trust. The Works Committee and Grievance Redressal Committee (GRC) serve as legal committees which protect organizations from non-compliance with labor laws. The voluntary activities including employee forums and surveys and open meetings demonstrate management dedication to employee well-being. The combination of these practices establishes a workplace environment which maintains equilibrium and trust between employees and their organization.

7.5 Organizational Benefits

Proper adaption of grievance redressal system gives below benefits, as shown in Table 2.

Table 2: Benefits of a Good Grievance Redressal System

Benefit	Description
Less absenteeism	Employees attend work more regularly
Higher morale	Workers feel happier and valued
More teamwork	People work better together
Better transparency	Processes are open and fair
Fewer conflicts	Issues are solved early

When employees trust their organization, they are more engaged and committed. This improves overall performance and productivity.

8. Conclusion

A good grievance redressal system is not only a legal requirement but also a key part of organizational success and ethical management. The review of secondary data shows that both statutory and voluntary grievance practices increase employee satisfaction and trust. A grievance process which delivers fairness and speed and complete openness creates an excellent bond between management teams and their staff members.

The Industrial Disputes Act from 1947 serves as the legal framework which governs workplace grievance procedures. Organizations today implement additional voluntary initiatives which include cultural surveys and suggestion boxes and regular employee discussions with their leaders. Organizations need to establish trust-based employee relations through these practices.

1. Keep Works and Grievance Committees active and effective.
2. Regularly review and improve voluntary grievance forums.
3. Explain grievance procedures clearly to all employees.
4. Ensure the process is confidential and fair.
5. Use feedback from grievances to improve organizational policies.

A grievance redressal system which operates with fairness and openness and shows respect will establish trust and satisfaction among employees. The system enables organizations to achieve enduring success through employee satisfaction. The system fulfills legal requirements while demonstrating workplace empathy through its operations.

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