

Principles of employee grievance mechanisms for FIs (under 2014 ESP)

EBRD PR 2, para. 20: *“The client will provide an effective grievance mechanism for workers (and their organisations, where they exist) to raise workplace concerns. The client will inform the workers of the grievance mechanism at the time of hiring, and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides feedback to those concerned, without any retribution. The mechanism should also allow for confidential complaints to be raised and addressed. The mechanism should not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration or mediation procedures, nor should it substitute for grievance mechanisms provided through workers unions or collective agreements.”* (PR2 para. 23 also states that a grievance mechanism should also be made available to non-employee workers)

What is a grievance?

Grievances are complaints and problems that employees raise with their employers. These may relate to how employees have been treated or to actions that an employer is contemplating taking. There is a spectrum of grievances ranging from major and potentially illegal issues such as discrimination or victimisation in the workplace to more minor day-to-day disputes such as a poor relationship between two employees or a disagreement over holiday arrangements.

Grievance procedures provide a clear and transparent framework to deal with difficulties which may arise as part of their working relationship from an employee's perspective. It is important that employees have a course of action available, should they have a complaint. Procedures are necessary to ensure that everybody is treated in the same way in similar circumstances and to ensure issues are dealt with fairly, reasonably and in a timely manner.

Grievance procedures should be differentiated from ‘whistle-blowing’ – this refers to procedures that employees can follow if they have concerns about wrongdoing or illegality in a company's operations.

There is no prescribed form for grievance mechanisms but there are various principles that should underpin them.

Worker and manager awareness	All workers should be informed about the grievance mechanism at the time they are hired, and details about how it operates should be easily available, in employee handbooks for example. Employees must know to whom they can turn in the event of a grievance and the support that is available to them. Managers who will be dealing with grievances, and workplace representatives who may become involved, should all be familiar with the procedures and receive training in implementing them.
Simplicity and necessity	Procedures should be kept as simple as possible, avoiding unnecessary administrative stages. Lodging a formal grievance should be seen as a last resort, after informal methods have been exhausted. Ordinary, day-to-day issues can often be better dealt with informally in meetings with line managers. If discussions with line managers fail to resolve the issue, it is still possible to pursue an informal approach without triggering a formal procedure. For example, an HR manager could host an informal meeting or discussion. However, the mere presence of an employee ‘suggestions box’ does not constitute an adequate alternative to a clear and direct grievance mechanism, whose

	operation and findings should be clear to employees.
Keeping it up to date	The process should be regularly reviewed and kept up to date by referencing any new statutory guidelines, changes in contracts or representation.
Confidential and impartial process	The process should ensure that a complaint is dealt with confidentially. While procedures may specify that complaints should first be made to the employees' line manager, there should also be the option of raising a grievance first with an alternative manager, for example, a human resource (personnel) manager. The findings of the process should be explained clearly to all parties.
Non-retribution	Procedures should guarantee that any employee raising a complaint will not be subject to any reprisal.
Reasonable timescales	Procedures should allow for time to investigate grievances fully, but should aim for swift resolutions. The longer a grievance is allowed to continue, the harder it can be for both sides to get back to normal afterwards. Time limits should be set for each stage of the process, for example, a maximum time between a grievance being raised and the setting up of a meeting to investigate it.
Right of appeal	An employee should have the right to appeal to a higher level of management if he or she is not happy with the initial finding.
Right to be accompanied	In any meetings or hearings, the employee should have the right to be accompanied by a colleague, friend or union representative.
Keeping records	Once a grievance has been raised formally, it is important that proper written records are kept, to aid transparency and allow for any review of the process or decision to be undertaken. If possible, the original complaint should be in writing. The employer's response should also be recorded. Any actions taken along with reasons should also be recorded, for example, a grievance hearing and finding.
Relationship to collective agreements & regulation	Grievance procedures may be included in collective agreements. Any additional processes should be consistent with these. In some countries of operation, grievance processes are set out in employment codes. Workplace processes should be compliant with these.