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**“A STUDY ON GRIEVANCE HANDLING MECHANISMS AND  
EMPLOYEE TRUST IN THE MANUFACTURING SECTOR IN  
GUJARAT”**

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**ABSTRACT**

This study focuses on understanding the grievance handling mechanisms and their impact on employee trust in the manufacturing sector in Gujarat. The purpose of the research is to analyze how effectively organizations handle employee grievances and how it influences trust towards management. The study is based on both primary and secondary data. Primary data was collected through a structured questionnaire from employees, while secondary data was gathered from journals, reports, and HR-related sources. The findings show that fair, transparent, and timely grievance handling improves employee trust and workplace environment. The study concludes that effective grievance handling systems play a crucial role in enhancing employee satisfaction, reducing conflicts, and strengthening organizational relationships.

**INTRODUCTION**

Grievance-handling mechanisms are formal procedures that allow employees to report workplace issues, seek redress for unfair treatment, and resolve conflicts systematically. In manufacturing and IT sectors, the effectiveness of these mechanisms is pivotal in promoting workplace fairness, boosting employee morale, and fostering organisational trust.

The manufacturing sector is a cornerstone of the global economy, characterised by demanding operational environments, structured hierarchies, and often high-stress production targets. Within this context, employee grievances—defined as any real or imagined feeling of dissatisfaction or injustice arising from the employment relationship—are an inevitable

aspect of the workplace. Issues often relate to working conditions, wages, promotions, supervision, and interpersonal conflicts.

The manner in which an organisation manages employee complaints through its Grievance Handling Mechanisms (GHMs) is critical. An ineffective or perceived as unfair GHM can quickly erode employee trust in management and the organisation as a whole, leading to negative outcomes such as reduced morale, lower productivity, increased absenteeism and turnover, and potential industrial disputes. Conversely, a fair, transparent, and timely GHM acts as a vital feedback system, signalling management's commitment to employee well-being and justice. Despite the recognised importance of fair treatment, a dedicated study examining the direct link between the specific characteristics of GHMs and the resulting level of employee trust in the uniquely dynamic, industrial environment of the manufacturing sector is essential.

## **LITERATURE REVIEW**

### **1. A Study on Employees Grievance Handling Mechanism in the Automobile Sector**

Authors: Gokila L & Dr. Jothi Jayakrishnan

Date of Publication: December 2023

This study examines grievance handling practices in the automobile manufacturing sector, where large workforces and hierarchical structures often lead to employee disputes. The research highlights that a formal grievance redressal system ensures employees can voice concerns without fear of retaliation. It emphasises that transparency, timely response, and proper documentation of complaints significantly enhance employee trust. The study also finds that when employees receive feedback on their grievances, their confidence in management increases. The authors conclude that grievance handling systems not only resolve conflicts but also act as a tool to strengthen communication and trust, ultimately improving productivity and reducing absenteeism.

### **2. A Study on Employee Grievances Handling System in Mangareva Knitters (Textile Industry)**

Authors: S. Anbarasu, G. Kalpana & K. Muthukumar

Date of Publication: January 2022

This research focuses on a textile manufacturing company and analyses how grievance handling affects employee morale and efficiency. The study identifies common grievances related to wages, workload, and working conditions. It reveals that employees often hesitate

to report issues due to fear of bias or retaliation. However, when a structured grievance system is implemented, employees feel more secure and valued. The study concludes that effective grievance redressal leads to higher job satisfaction, improved trust in supervisors, and better industrial relations. It recommends regular awareness programs and training for both employees and management to ensure proper utilization of grievance mechanisms.

### 3. Grievance Handling Practices and Their Impact on Industrial Relations in HRM

Authors: Sarita A. Dhawale & Tushar D. Dasnur

Date of Publication: October 2024

This study explores grievance handling practices in industrial organisations with a focus on maintaining strong industrial relations. It highlights that unresolved grievances can lead to strikes, absenteeism, and high employee turnover. The research emphasises that organisations with well-defined grievance procedures experience fewer conflicts and better cooperation between management and workers. It also stresses the importance of impartial investigation, confidentiality, and consistent communication in building trust. The study concludes that grievance handling mechanisms serve as a bridge between employees and employers, ensuring harmony and long-term organisational stability.

### 4. A Study on Grievance Management in Improving Employee Performance in a Private Manufacturing Enterprise

Author: Dr. S. Gomathi

Date of Publication: September 2014

This study investigates the relationship between grievance management and employee performance in a manufacturing enterprise. It finds that employees who perceive grievance procedures as fair and effective are more motivated and committed to their work. The research highlights that the timely resolution of grievances reduces stress and dissatisfaction, leading to better productivity. It also notes that management's responsiveness plays a crucial role in building trust. The study concludes that grievance handling is not just a conflict resolution tool but also a strategic approach to enhance employee performance and organisational effectiveness.

### 5. Effectiveness of Grievance Handling Mechanism in a Textile Manufacturing Company (Prachi Exports)

Author: T. Aparna

Date of Publication: September 2012

This study evaluates the effectiveness of grievance handling mechanisms in a textile manufacturing company. It emphasises that grievance handling forms the foundation of healthy employer-employee relationships. The research shows that a structured system improves employee awareness about their rights and encourages them to report issues. It also highlights that fair and prompt grievance resolution leads to higher job satisfaction and mutual understanding. The study recommends continuous evaluation and improvement of grievance systems to maintain trust and organisational efficiency.

#### 6. A Study on Grievance Handling Measures in Industrial Organisations: A Theoretical Perspective

Authors: Dr. G. Balamurugan & V. Shenbagapandian

Date of Publication: 2016

This theoretical study focuses on grievance handling in industrial organisations and identifies major sources of grievances, such as wages, working conditions, supervision, and communication gaps. It emphasises that an effective grievance handling system must be transparent, unbiased, and accessible to all employees. The study explains that when employees perceive fairness in grievance handling, their trust in the organisation increases significantly. It also highlights the importance of proper documentation and legal compliance in grievance management.

#### 7. Grievance Redressal System and Its Impact on Employee Satisfaction in Manufacturing Industries

Authors: R. Karthikeyan & P. Nirmala

Date of Publication: 2019

This study examines how grievance redressal systems influence employee satisfaction in manufacturing industries. It finds that employees who are aware of grievance procedures and find them easy to access are more satisfied and engaged. The research highlights that communication plays a key role in ensuring employees trust the system. It also emphasises that management must provide feedback and follow-up actions to build confidence among employees. The study concludes that an effective grievance system leads to improved morale, reduced conflicts, and stronger employee trust.

#### 8. Impact of Grievance Handling Mechanism on Employee Relations in Industrial Sector

Authors: M. Rajasekar & S. Vidhya

Date of Publication: 2018

This study focuses on the role of grievance handling in improving employee relations within industrial organisations. It highlights that unresolved grievances can damage relationships and create a negative work environment. The research shows that fair and consistent grievance handling improves trust and cooperation between employees and management. It also emphasises the need for trained personnel to handle grievances effectively. The study concludes that strong grievance mechanisms are essential for maintaining positive employee relations and organizational harmony.

#### 9. A Study on the Effectiveness of Grievance Handling Procedure in Manufacturing Companies

Authors: K. Srinivasan & L. Devi

Date of Publication: 2020

This research evaluates the effectiveness of grievance handling procedures in manufacturing companies. It finds that organisations with structured and well-documented grievance systems experience better employee satisfaction and trust. The study highlights the importance of timely resolution, impartial investigation, and proper communication. It also emphasises that employee participation in grievance processes increases transparency and trust. The study concludes that effective grievance handling is essential for organisational success and employee well-being.

#### 10. Role of Grievance Handling Mechanism in Enhancing Industrial Harmony in the Manufacturing Sector

Authors: P. Subramanian & R. Babu

Date of Publication: 2021

This study examines the role of grievance handling mechanisms in maintaining industrial harmony. It highlights that effective grievance systems reduce workplace conflicts and prevent disputes from escalating. The research emphasises that fairness, transparency, and confidentiality are key factors in building employee trust. It also notes that organisations should adopt proactive approaches to identify and resolve issues early. The study concludes that grievance handling is a critical tool for ensuring long-term stability and productivity in manufacturing industries.

### **RESEARCH GAP**

Several studies have been conducted on grievance handling mechanisms and employee relations in organizations, particularly in the manufacturing sector. Most of the existing

research focuses on aspects such as employee satisfaction, workplace conflicts, grievance redressal procedures, and their impact on organizational performance. Some studies have also examined the role of transparency, fairness, and communication in grievance handling systems.

However, many of these studies mainly analyse grievance handling practices in isolation and give limited attention to their direct impact on employee trust towards management. In addition, there is a lack of research that provides a comprehensive understanding of how different factors such as timeliness, confidentiality, and accessibility of grievance mechanisms influence employee trust in real organizational settings. The practical challenges faced by employees while using grievance systems, such as fear of retaliation or lack of awareness, are also not explored in detail.

Therefore, there is a need for further research that examines the effectiveness of grievance handling mechanisms and their relationship with employee trust in the manufacturing sector. This study attempts to address this gap by analysing employee perceptions and identifying key factors that influence trust, thereby providing insights to improve grievance redressal systems and strengthen organizational relationships.

## **RESEARCH METHODOLOGY-**

### **RESEARCH DESIGN-**

The research design adopted for this study is Descriptive in nature.

- The descriptive research design focuses on understanding and describing the existing grievance handling mechanisms practiced in manufacturing organisations in Gujarat.
- This research design enables the study to capture qualitative insights (employees' perceptions and experiences), providing a comprehensive understanding of grievance handling practices in the manufacturing sector in Gujarat.

### **SOURCES OF DATA**

The study is based on both primary and secondary data.

#### **Primary Data:**

Primary data is collected directly from employees and HR/management personnel working in selected manufacturing organisations in Gujarat.

The data is gathered through a structured questionnaire and personal discussions, focusing on:

- Existing grievance handling mechanisms

- Employee awareness and usage of grievance redressal systems
- Employee trust, satisfaction, and confidence in management
- This data helps in understanding employees' perceptions and real-world effectiveness of grievance handling practices.

#### Secondary Data:

- Secondary data is collected from various published and unpublished sources, including:
- Company HR manuals and grievance policy documents
- Published research papers, journals, and articles related to grievance handling and employee trust
- Books on human resource management and industrial relations
- Reports from government bodies and labour departments
- Reputed business and HR-related websites

Secondary data provides theoretical support and background for the study.

#### **DATA COLLECTION METHOD-**

The study primarily uses the questionnaire method to collect primary data.

A structured questionnaire consisting of both closed-ended and open-ended questions was designed to collect employees' opinions on grievance handling mechanisms and employee trust in manufacturing organisations in Gujarat.

The questionnaire covered the following areas:

- Awareness of grievance handling procedures
- Accessibility and transparency of grievance redressal mechanisms
- Timeliness and fairness in grievance resolution
- Management support and communication during grievance handling
- Impact of grievance handling on employee trust, satisfaction, and morale

#### **POPULATION –**

The population for this study includes employees working in selected manufacturing organisations in Gujarat. This comprises individuals from different departments and hierarchical levels, such as shop-floor workers, supervisors, executives, and managerial staff. The study focuses on employees from both small and large manufacturing units to ensure a comprehensive representation of the sector. This helps in understanding diverse perspectives

regarding grievance handling mechanisms and employee trust within the manufacturing industry.

### **SAMPLE METHOD-**

The study uses Purposive Sampling and Convenience Sampling techniques.

- Purposive Sampling was adopted to select manufacturing organisations in Gujarat that have a formal grievance handling mechanism in place. This ensured that data was collected from organisations where grievance redressal systems are actively practiced and relevant to the study.
- Convenience Sampling was used to select employees who were easily accessible and willing to participate in the survey, considering time and resource constraints.
- This combined sampling approach helped in obtaining relevant, practical, and reliable data regarding grievance handling mechanisms and employee trust in the manufacturing sector.

### **SAMPLING FRAME**

The sampling frame for the study consists of respondents include employees from different functional areas and hierarchical levels, such as:

- Sample Size – 100 respondents
- Area of Study – Gujarat
- Time Period of Data Collection – OCT 2025 – MARCH 2026

### **DATA COLLECTION INSTRUMENT –**

The main data collection instrument used was a structured questionnaire. It was divided into two sections:

1. **Demographic Details** – age, gender, educational qualification, job designation, department, and years of work experience.
2. **Research-Based Questions** – covering awareness, accessibility, fairness, and timeliness of grievance handling mechanisms, along with their impact on employee trust, satisfaction, and challenges faced while raising grievances.

A 5-point Likert Scale was used to measure the level of agreement with various statements related to grievance handling effectiveness and employee trust, ranging from Strongly Disagree to Strongly Agree.

**Google form questionnaire link.**

<https://docs.google.com/forms/d/e/1FAIpQLSeo6Go6gBaaGdBwnfsEta3TM5w7bvVqv0C7dT9Cu262NCmE2g/viewform?usp=header>

**OBJECTIVES –**

**THE STUDY SEEKS TO ANSWER CRITICAL QUESTIONS –**

1. How effectively are grievance handling mechanisms implemented in manufacturing organisations.
2. What are the key factors influencing employee trust towards management in grievance handling.
3. How can transparency, communication, and timely resolution strengthen employee trust and improve grievance redressal systems.

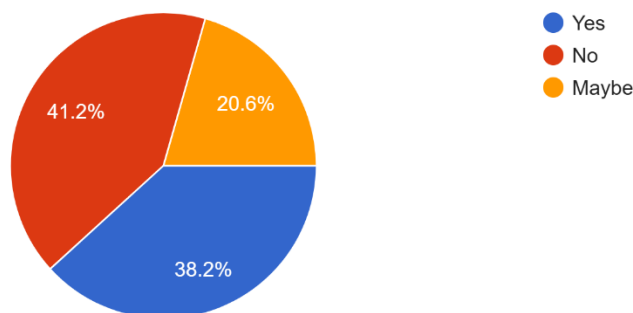
**HYPOTHESIS –**

- **H1** – Effective grievance handling mechanisms significantly improve employee trust in manufacturing organisations.
- **H0 (NULL HYPOTHESIS)** – Grievance handling mechanisms have no significant impact on employee trust.

**DATA ANALYSIS AND INTERPRETATION-**

SOURCE	NO. OF RESPONDENTS	PERCENTAGE
Worker/operator	19	18.6
Supervisory	33	32.4
Junior Management	33	32.4
Senior Management	17	16.7
Total	102	100%

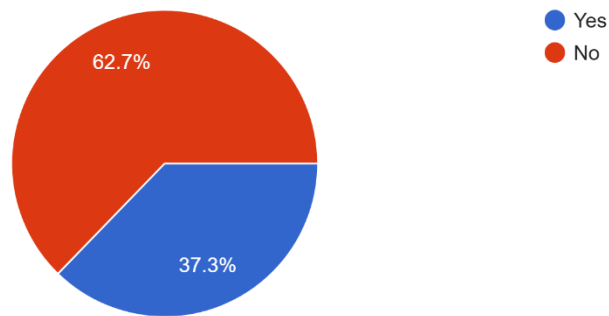
• **Awareness of Grievance Handling Mechanism**



**Interpretation:**

Only 35.9% of respondents are aware of the grievance handling mechanism, while 39.8% are not aware and 24.3% are unsure. This indicates a lack of proper communication and awareness within the organisation. Low awareness can directly impact employee trust and limit the effectiveness of grievance systems.

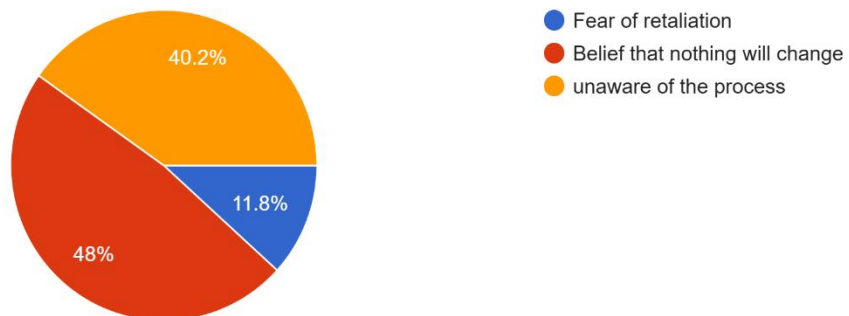
- **Usage of Grievance Handling Mechanism**



**Interpretation:**

A majority of respondents (65.0%) have never used the grievance mechanism, while only 35.0% have used it. This suggests that even when systems exist, they are underutilised. The low usage rate may be due to fear, lack of trust, or lack of awareness among employees.

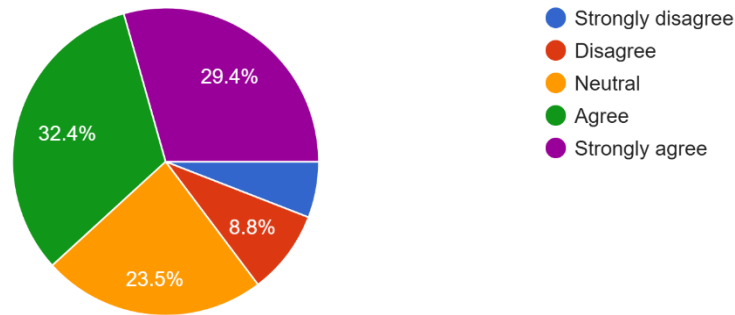
- **Reason for Not Using Grievance Mechanism**



**Interpretation:**

The main reason for not using the grievance mechanism is the belief that nothing will change (33.0%), followed by fear of retaliation (28.2%) and lack of awareness (25.2%). This indicates a significant trust deficit among employees. Employees may feel that raising concerns is ineffective or risky, which weakens the grievance system.

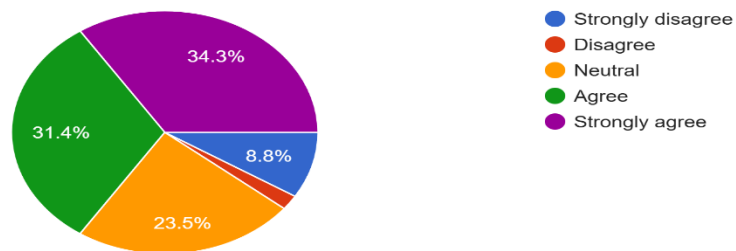
- **Clarity of Grievance Process**



**Interpretation:**

Around 59.2% of respondents (Agree + Strongly Agree) believe that the grievance process is clear and easy to understand, while 18.5% disagree and 22.3% remain neutral. This suggests that although a majority find the process understandable, a considerable number still lack clarity, indicating the need for better communication and training.

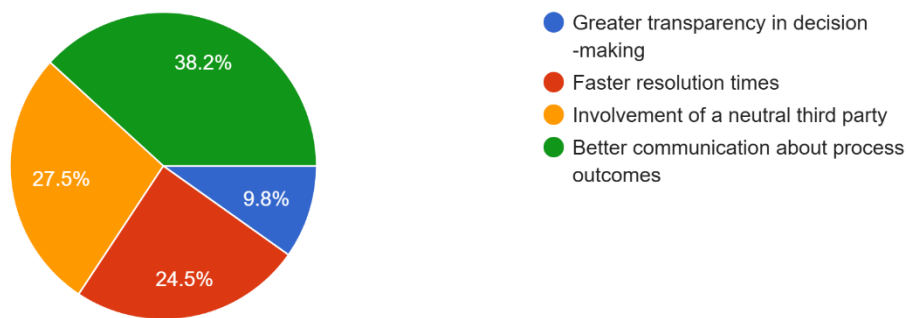
- **Factor to Improve Trust in Grievance Handling**



**Interpretation:**

The most important factor identified is better communication on outcomes (37.9%), followed by involvement of a neutral third party (27.2%) and faster resolution (22.3%). This indicates that employees want transparency and clear feedback after raising grievances. Improving communication can significantly enhance trust in the system.

- **Which single factor most improves trust in the grievance handling process**



### Interpretation:

The majority of respondents (38.2%) believe that better communication about process outcomes is the most important factor in improving trust in the grievance handling process. This is followed by involvement of a neutral third party (27.5%) and faster resolution times (24.5%). Only 9.8% consider greater transparency in decision-making as the key factor.

## KEY FINDINGS

### MAJOR RESULTS

- The study reveals that grievance handling mechanisms exist in most manufacturing organisations; however, employee awareness and usage of these mechanisms are not uniform. A significant number of employees are either unaware of the process or hesitant to use it.
- The findings indicate that clarity and transparency in grievance procedures are critical factors in building trust. Employees who clearly understand the grievance process show higher confidence in the system.
- The study highlights that delay in grievance resolution is a major challenge faced by employees. Timely handling of grievances plays an important role in maintaining employee morale and trust.
- The results show that effective grievance handling contributes positively to the overall work environment and employee morale, leading to better workplace relationships and reduced dissatisfaction.
- Overall satisfaction levels indicate that while a majority of employees are satisfied with grievance handling mechanisms, there is significant scope for improvement through better communication, faster resolution, and transparent decision-making.

## KEY FINDINGS:

Grievance handling mechanisms exist, but employee awareness is low.

- Fair and effective grievance handling increases employee trust.
- Lack of confidentiality discourages employees from raising grievances.
- Transparent and unbiased processes improve employee retention..

## CONCLUSION OF THE STUDY

This study was conducted to understand the grievance handling mechanisms and their impact on employee trust in the manufacturing sector in Gujarat. The study mainly focused on employee awareness of grievance procedures, usage of grievance redressal mechanisms, fairness, confidentiality, timeliness of grievance resolution, and their influence on employee trust and work environment. Data was collected from 100 employees working at different levels in selected manufacturing organisations.

The study reveals that while grievance handling mechanisms are present in most organisations, awareness and utilization among employees are not uniform. Many employees hesitate to raise grievances due to fear of retaliation, lack of confidence in outcomes, or uncertainty regarding confidentiality. This highlights the gap between the existence of grievance systems and employee trust in their effectiveness.

The study also highlights that delays in grievance resolution and lack of confidentiality are major challenges that negatively affect employee trust. Clear communication regarding grievance outcomes and stronger confidentiality measures are essential to strengthen confidence in the system.

Overall, the study concludes that well-structured and effectively implemented grievance handling mechanisms are vital for enhancing employee trust, workplace harmony, and organizational effectiveness in the manufacturing sector. Continuous improvement in grievance redressal processes through better communication, faster resolution, and transparent practices is necessary to create a positive and trustworthy work environment.

## SUGGESTIONS

Based on the findings of the study, the following suggestions are made: -

- ❖ Manufacturing organisations should clearly communicate grievance handling procedures to all employees through induction programs, employee handbooks, and internal communication channels.
- ❖ Management should ensure the timely resolution of grievances, as delays reduce

employee confidence and negatively affect trust and morale.

- ❖ Confidentiality must be strictly maintained during the grievance handling process to encourage employees to raise issues without fear of retaliation.
- ❖ Organisations should establish a transparent and unbiased grievance redressal system, ensuring fair treatment and impartial decision-making.
- ❖ Regular training programs for managers and supervisors should be conducted to improve their ability to handle employee grievances sensitively and effectively.
- ❖ Employees should be encouraged to use formal grievance mechanisms by creating a supportive and open organisational culture.
- ❖ Periodic review and monitoring of grievance handling systems should be carried out to identify gaps and implement continuous improvements.

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