

A study on the effectiveness of grievance handling mechanism in Arunachal Pradesh State Co-Operative Apex Bank Ltd

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Abstract

A grievance is a sign of employee's discontent with the job and its nature. Grievance is mainly because of the difference between the employee expectation and management practice. Most grievances seriously disturb the employee and it is not possible for all supervisors to solve the grievances at their end. Hence it is important that there is an effective grievance handling procedure in place in organisations. This study is an effort to study the grievance handling process and mechanism at Arunachal Pradesh State Co-operative Apex Bank Ltd (APSC Apex Bank Ltd) and analyse the data to understand the effectiveness of the process and give recommendations for making the process more effective.

Keywords: *Grievance, grievance handling procedure, complaint,*

1. Introduction

Grievance is any discontent or dissatisfaction that affects organizational performance. A grievance can be stated or unvoiced, written or oral, legitimate or ridiculous. When the organisation fails to satisfy the employees' needs, he develops a feeling of discontent or dissatisfaction. If the dissatisfaction of employees goes unattended or the conditions causing it are not corrected, the irritation is likely to increase and lead to unfavourable attitude towards the management and unhealthy relations in the organization. This in turn will affect industrial productivity.

Grievance procedure is the formal mechanism that is there in an organisation to deal with the worker's dissatisfaction. All companies whether unionized or not should have established and known grievance methods of processing grievances. An effective grievance handling procedure helps to minimise discontent and

dissatisfaction in an organisation which in turn reduces adverse effects on productivity.

The usual steps in grievance procedure are

1. An aggrieved employee submits the grievance in writing to the immediate supervisor or the designated officer who handles employee grievances
2. A reply is given to the employee usually within a week on the grievances.
3. If the employee is not satisfied with the answer then that particular employee can refer it to the second stage i.e. the grievance committee.
4. Discussions take place between the concerned department and the Human Resources department as well as the Union where applicable.
5. The decision so agreed is communicated to the employee.
6. If the employee is still not satisfied, the top management may get involved and it may be referred for Arbitration.

There may be variations in the procedures followed for resolving employee grievances. Variations may result from such factors as organizational or decision-making structures or size of the plant, company etc.

The main benefits of having a formal Grievance procedure in place are -

- The grievance procedure provides a means for identifying practices, procedures, and administrative policies that are causing employee complaints so that changes can be considered.
- If grievances are handled in time, legal litigations will not arise.
- It serves as a check on the arbitrary actions of the management because supervisors know that employees are likely to see to it that their protest does not reach the higher management.

- A grievance system can be a reliable mechanism to learn of, and resolve employee dissatisfaction. It can produce early settlements to disputes or provide for correction of contested employment issues.

2. Objectives of the study

The main objectives of the study undertaken in Arunachal Pradesh State Co- operative Apex Bank Ltd (APSC Apex Bank Ltd) are to understand the:

Primary Objective

1. To study the effectiveness of grievances handling mechanism.

Secondary Objectives

1. To identify whether the employees are aware of the grievance handling mechanism.
2. To identify whether the grievance handling system leads to a favourable attitude towards the management
3. To identify that the grievance handling system leads to a mutual understanding between workers and the management
4. To know the level of satisfaction towards the grievance handling procedure of the organization
5. To identify the factors influencing the effectiveness of the grievance handling in the organisation.

The grievance mechanism acts as a foundation for a harmonious and healthy relationship between employee and employer. The grievance mechanism ensures a fair and just treatment of employee's concerns and prompt resolution of grievances without discrimination, coercion, restraint or reprisal against any employee who may submit or be involved in a grievance. The aim of the study is to find whether the grievance handling mechanism in Arunachal Pradesh Cooperative Apex Bank is functioning effectively or not to ensure that employee's problems are recognized and are reviewed in a prompt and timely manner.

3. Literature review

According to J.M. Jucius, "A grievance is any discontent or dissatisfaction whether expressed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable". (1)

Dale Yoder defines grievance as "a written complaint filed by an employee and claiming unfair treatment." (2) According to Dale S. Beach, a

grievance is "any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of management."(3)

Keith Davis defines grievance as "any real or imagined feeling of personal injustice which an employee has about the employment relationship." A grievance represents a situation in which an employee feels that something unfavourable to him has happened or is going to happen. In fact, in case of real grievance, the dissatisfaction of an employee can be genuine which may be due to supervisory behaviour or the fact that his/her terms and conditions of employment have been violated or ignored by the management. Since no one can stop an employee to imagine, he/she can feel or believe that there has been some deliberate neglect to him/her by the supervisor, or his/her interests and rights have been deliberately violated or ignored, which may not be true in reality. This state of affairs of an employee is called imaginary grievance. (4)

The National Commission on Labour 1969 (NCL) referred to question of "wage payments, overtime, leave, transfer, promotion, seniority, work assignment and surcharges" as grievances. The National Commission on Labour states that "complaints affecting one or more individual worker in respect of their wage payments, overtime, leave; transfer, promotion, seniority, work assignment, and discharges would constitute grievances."(5)

Flippo defines a complaint as "a discontent or dissatisfaction, which has not, as yet, assumed great significance to the individual. It takes the form of a grievance when the individual feel that an injustice has been caused to him. (6)

The causes of employee grievances can be many:

- a) Complaints about wages and incentives
- b) Complaints about job classification
- c) Complaints against supervisors
- d) Promotions and Transfers
- e) Disciplinary action
- f) Inadequacy of safety and health services/devices
- g) Unsatisfactory conditions of work

To address the grievances arising out of these causes or any related cause, the grievance redressal system has to be designed properly.

A well designed and a proper grievance procedure provides (7)

- a) A channel or avenue by which any aggrieved employee may present his grievance
- b) A procedure which ensures that there will be a systematic handling of every grievance
- c) A method by which an aggrieved employee can relieve his feelings of dissatisfaction

- with his job, working conditions or with management, and
- d) A means of ensuring that there is some measure of promptness in the handling of the grievance

About the organization

“A Co-operative bank, as its name indicates is an institution consisting of a number of individuals who join together to pool their surplus savings for the purpose of eliminating the profits of the bankers or moneylenders with a view to distribution the same amongst the depositors and borrowers”. The Co-operative Banks Act, of 2007 (the Act) defines a co-operative bank as a co-operative registered as a co-operative bank in terms of the Act whose members –

1. Are of similar occupation or profession or who are employed by a common employer or who are employed within the same business district; or
2. Have common membership in an association or organization, including a business, religious, social, co-operative, labour or educational group; or
3. Have common membership in an association or organization, including a business, religious, social, co-operative, labour or educational group; or
4. Reside within the same defined community or geographical area.

Co-operative bank, in a nutshell, provides financial assistance to the people with small means to protect them from the debt trap of the moneylenders. Cooperative Banks in India are registered under the Co-operative Societies Act. The cooperative bank is also regulated by RBI. They are governed by the Banking Regulations Act, 1949 and Banking Laws (Co-operative Societies) Act, 1965.

The primary functions of Cooperative Banks are:

1. Accepting Deposits
2. Making Advances
3. Credit Creation

The secondary functions of cooperative banks can be divided into Agency Functions and Utility Functions.

1. Agency Functions:

Various Agency Functions of cooperative banks are:

- (a) To collect and clear cheque, dividends and interest warrant
- (b) To make payment of the rent, insurance premium, etc.
- (c) To deal in foreign exchange transactions.

- (d) To purchase and sell securities
- (e) To act as trusty, attorney, correspondent and executor
- (f) To accept tax proceeds and tax returns.

2. General Utility Functions:

The General Utility Functions of the cooperative banks include:

- (a) To provide safety locker facility to customers.
- (b) To provide money transfer facility
- (c) To issue travellers cheque
- (d) To act as referees
- (e) To accept various bills for payment example phone bills, water bills, etc.
- (f) To propose merchant banking facility
- (g) To provide various cards such as credit cards, debit cards, etc.

The cooperative banks in India play an important role even today in rural financing. The business of cooperative banks in the urban areas also has increased phenomenally in recent years due to the sharp increase in the number of primary cooperative banks.

Arunachal Pradesh Cooperative Apex Bank is the apex bank in the state of Arunachal Pradesh for societies. The bank is one of the principle agencies by which “Financial” inclusion can be a reality in the state of Arunachal Pradesh.

The role and the salient features of the bank have been mentioned below:

- The bank is involved in the formation of Farmers Clubs, formation of Self Help Groups (SHG), Credit Linkage of SHG, and Finance to Joint Liability Groups along with other banking services.
- The customers’ deposits with Arunachal Cooperative Apex Banks for safety are insured with deposit insurance and credit Guarantee Corporation.
- Most of the branches of the bank are fully computerized.
- Core Banking Services will be available in all the branches as per the plan set by the Reserve Bank of India
- The Bank has covered almost all the districts of the state and is planning to scatter its services to all the corners of the state in phase manner
- The Bank is working on how to guide and promote more cooperative societies
- It is determined to serve as a balancing centre in the Cooperative Credit Structure of the State
- The Arunachal Pradesh Cooperative Apex Bank functions as a financing bank in terms

of the Act and the Rules and to carry on general business.

4. Research methodology

Descriptive research design was used in this study in which effectiveness of internal trainers regarding their training skills given to them by the company in Oil for both employees and executives was discussed.

The research methodology adopted for the purpose of the mentioned study can be classified into two stages, namely:-

- Collection of secondary data and Exploratory Study: - Exploratory study was carried out by scrutinizing the available secondary data. This study was done by studying the website of the organization, past reports and articles in magazines as well as observing the past performance of the Organisation which was essentially secondary data.
- Collection of primary data and Descriptive study : The descriptive study can be further sub divided into the following steps –
 - **Questionnaire:** - A questionnaire was prepared to collect primary data encompassing questions that would help to throw up desired results and the same was distributed to a sample size of employees.
 - **Sample Size:** - Data was collected from 35 employees. The tools used for the study are Percentage method and Correlation.
 - **Collection of data:** - In this study, information was collected from the employees of different departments of Arunachal Pradesh Cooperative Apex Bank. Thus, it is a sample investigation. Here judgmental sampling design is referred in which using probability methods initial sampling units are selected and then additional information is obtained from information supplied by initial units
 - **Analysis of data:** - A detailed analysis of the data collected was made using statistical and empirical methods. The final analysis was done on the findings that were thrown up by the data.

- **Findings:** - The findings and the recommendations based on that data has been recorded down.

5. Data Analysis and Interpretation

Table 1: Distribution of respondents regarding Temporary relief provided

Sl.No.	Temporary relief	No. Of respondents	Percentage
1	Yes	19	54.3
2	No	16	45.7
	Total	35	100

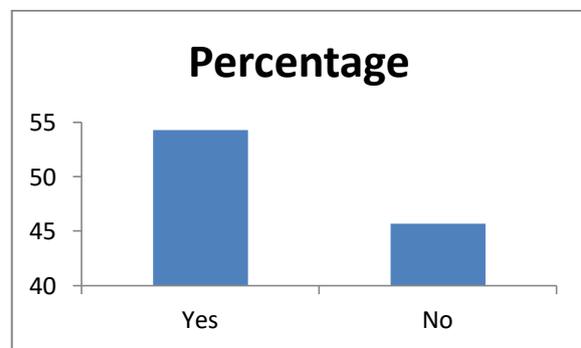


Fig 1: Distribution of respondents regarding Temporary relief provided

Table 2 :Distribution of respondents based on age

Sl.No.	Age	Frequency	Percentage
1	19-25	6	17.1
2	26-30	29	82.9
	Total	35	100

Fig 2 :Distribution of respondents based on age.

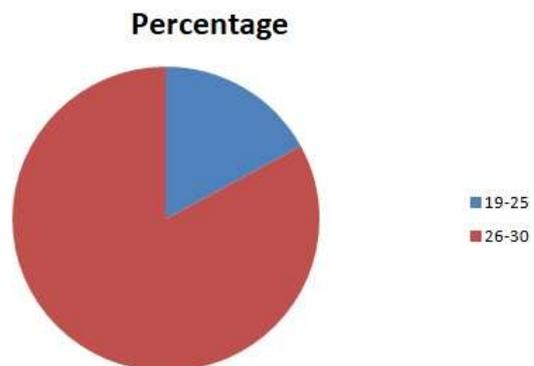


Table No. 3: Distribution of respondents towards supervisors' level of skill in terms of understanding the grievance

Sl.No.	Supervisor possess necessary skill	Frequency	Percentage
1	Very highly skilled	32	91.4
2	Moderately skilled	3	8.6
	Total	35	100

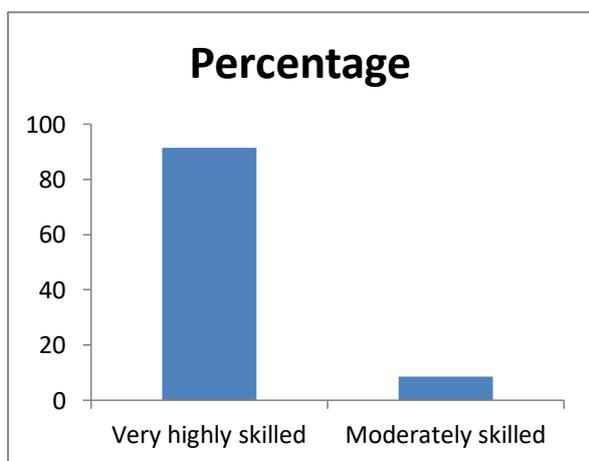


Fig 3: Distribution of respondents towards supervisors' level of skill

Table 4: Distribution of respondents towards awareness of various committees for grievance handling

Sl.No.	Awareness of committees	Frequency	Percentage
1	Yes	35	100
	Total	35	100

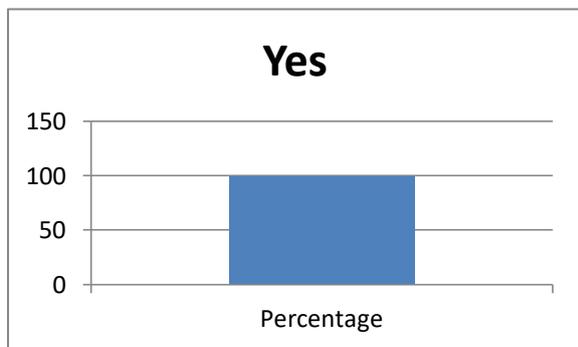


Fig 4 : Distribution of respondents towards awareness of various committees

Table 5 : Distribution of respondents towards the

informal channel for redressal of grievances

Sl.No.	Informal channel	No. Of respondents	Percentage
1	Co-worker	23	65.7
2	Peer	12	34.3
	Total	35	100

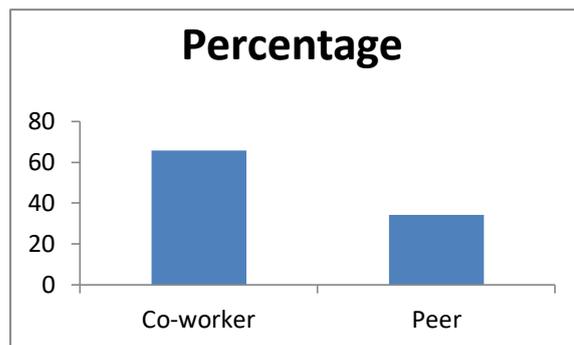


Fig 5 : Distribution of respondents towards the informal channel for redress of grievances

Table 6: Distribution of respondents towards real basis of identification of their grievance

Sl.No.	Real Basis	Frequency	Percentage
1	Strongly agree	27	77.1
2	Agree	8	22.9
	Total	35	100

Fig 6: Distribution of respondents towards real basis of identification of their grievance

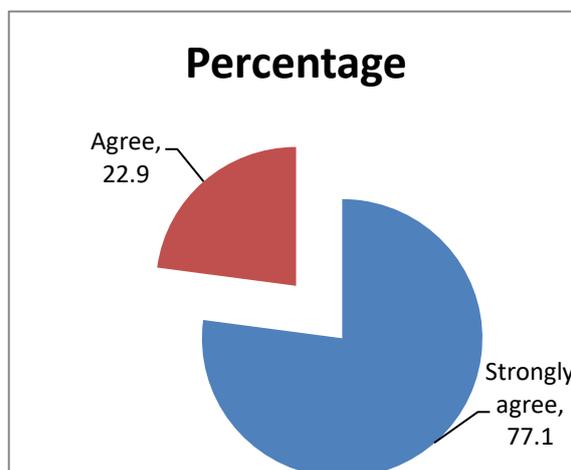


Table 7: Distribution of respondents towards mechanism followed resolves grievance or not

Sl.No.	Real Basis	Frequency	Percentage
1	Yes	34	97.1
2	No	1	2.9
	Total	35	100

Mechanism Resolves Grievance

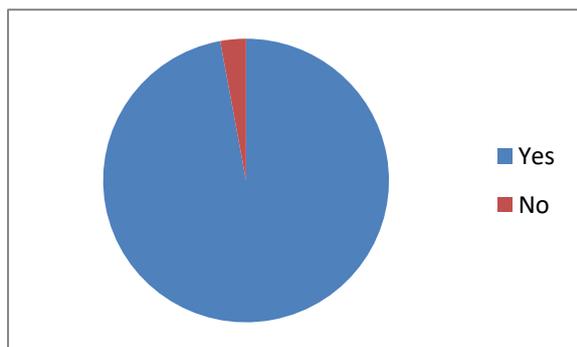


Fig 7: Distribution of respondents towards mechanism followed resolves grievance or not

Table 8: Distribution of respondents towards importance given to discussion and conference

Sl.No.	Real Basis	Frequency	Percentage
1	Strongly Agree	29	82.9
2	Agree	6	17.1
	Total	35	100

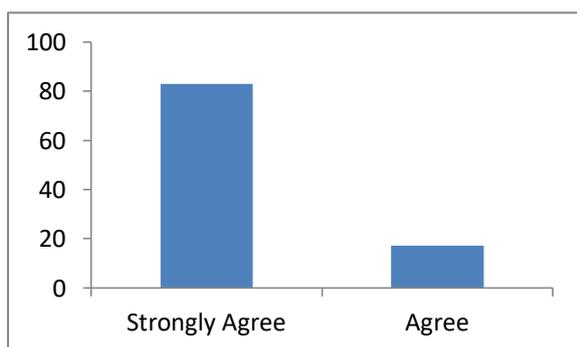


Fig 8 : Distribution of respondents towards importance given to discussion and conference

Table 9 Distribution of respondents regarding whom they redress for grievance

Sl.No.	Whom do you redress	Frequency	Percentage
1	Office bearers	4	11.4
2	Committee members	16	45.7
3	HR	3	8.6
4	Managers	2	5.7
5	Union members	7	20
6	Counsellor	1	2.9
7	Friends	1	2.9
8	Co-workers	1	2.9
	Total	35	100

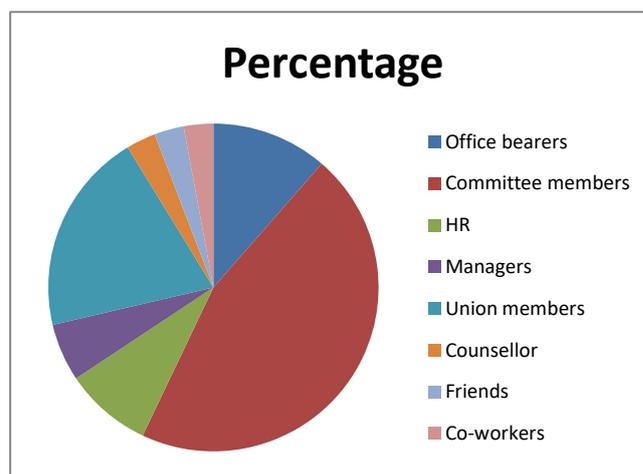


Fig 9: Distribution of respondents regarding to whom they redress for grievance

Table 10: Distribution of respondents based on qualification

Sl.No.	Qualification	Frequency	Percentage
1	Higher Secondary	31	88.6
2	Diploma	1	2.9
3	Under graduate	3	8.6
4	Total	35	100

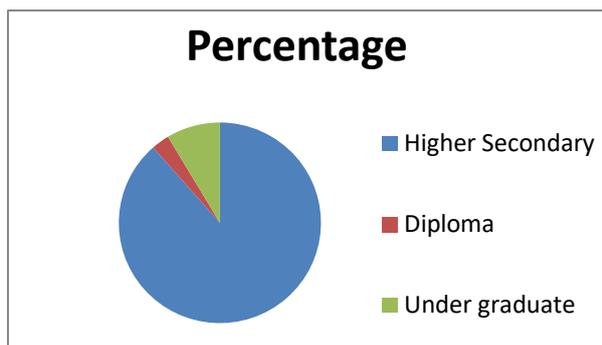


Fig 10: Distribution of respondents based on qualification

Table 11: Distribution of respondents regarding regular follow up

Sl.No.	Regular follow-up	No. Of respondents	Percentage
1	Yes	35	100
	Total	35	100

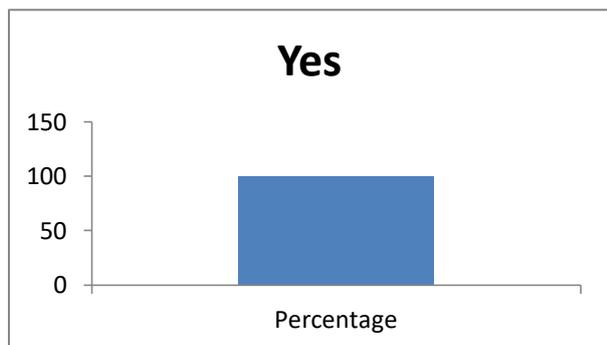


Fig 11: Regular follow up

Table 12: Distribution of respondents regarding supervisor's authority

Sl.No.	Supervisor has given authority	No. Of respondents	Percentage
Valid	Has given authority	35	100
	Total	35	100

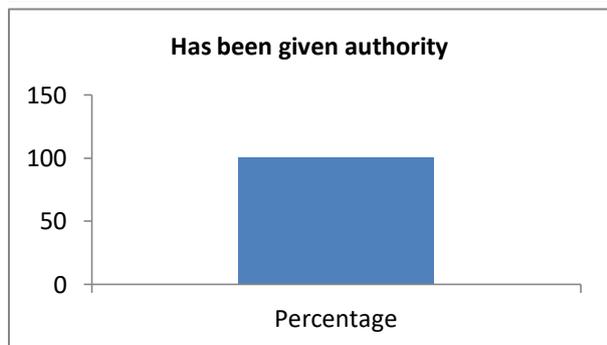


Fig 12: Distribution of respondents regarding supervisor's authority

Analysis using correlation

To know whether there is correlation between feel about decision given and real basis identification

Let X be Feel about decision given

Let Y be Real basis identification

Table 13:

Real basis identified				Total
Strongly agree		Agree		
Feel about decision given	Highly satisfactory	25	6	31
	Moderately satisfactory	2	2	4
Total		27	8	35

Table 14 : Values of Correlation

$\sum \xi^2$	$\sum \psi^2$	$\sum \xi\psi$
180.5	364.5	256.5

$$r = \frac{\sum xy}{\sqrt{\sum x^2 * \sum y^2}}$$

Substituting the values of $\sum x^2$, $\sum y^2$ and $\sum xy$ in the above equation we get

$$R = 1$$

Inference:

Since the value of r is equal to one the variables are positively correlated. A variation in one variable will cause variation in another.

Analysis using correlation

To know whether there is correlation between discussion and conference and supervisor has skill

Let X be Discussion and Conference

Let Y be Supervisor has skill

Table 15 :

Supervisor has skill				Total
Very highly skilled		Agree		
Discussion and conference	Strongly Agree	28	1	29
	Agree	4	2	6
Total		32	3	35

Table 16: Values for correlation

Σx^2	Σy^2	Σxy
420.5	264.5	333.5

$$r = \frac{\Sigma xy}{\sqrt{\Sigma x^2 * \Sigma y^2}}$$

Substituting the values of Σx^2 , Σy^2 and Σxy in the above equation we get

$$R = 1$$

Inference:

Since the value of r is equal to one the variables are positively correlated. A variation in one variable will cause variation in another.

6. Findings of the study

1. The results derived from Table 1 and Fig No 1 show that 54.3% have responded that they are being provided with temporary relief until the final decision is taken.
2. From Table 2 and Fig No 2, it is seen that 17.1% of respondents are in the age group 19-25 and 82.9% are in the age group 26-30.
3. From Table No 3 and Fig 3 it was found that 91.4% of respondents stated that their supervisor is highly skilled and possess necessary human relation skills while 8.6% state that their supervisor is moderately skilled.
4. The results of Table No 4 and Figure No 4 clearly point to the fact that 100% of respondents are aware of the various committees that are framed for redressing their grievance.
5. The results of Table No 5 and Fig 5 shows that 65.7% of respondents communicate to their co-workers and 34.3% of respondents communicate to their peer.
6. Based on the results shown in Table No 6 and Fig No 6, 77.1 percentages of respondents strongly agree that the real basis of their grievance is identified and 22.9 percentages of respondents agree that real basis is identified which means that the entire sample population agrees that the reason for grievances is identified.
7. From the Table No 7 and Fig No 7, it is found that 97.1% of respondents agree that there is adequate mechanism for resolving grievances while 2.9% of the respondents disagree and state that mechanism for resolving grievance is not there.
8. From Table No 8 and Fig No 8, it is seen that 82.9% of respondents strongly agree

that discussion and conference is facilitated and 17.1% of respondents agree that discussion and conference is facilitated. So overall this is very positive.

9. From Table No 9 and Fig No 9 it is inferred that 11.4% of respondents communicate grievances through office bearers, 45.7% through committee members, 8.6% through HR, 5.7% through managers, 20% through union members, 2.9% through counsellor, and 2.9% through friend's and 2.9% through co-workers.
10. The qualification date as shown in Table No 10 and Fig No 10 indicate that 88.6% of respondents are qualified above higher secondary, 2.9% of respondents are diploma holders and 8.6% are under graduate.
11. Based on the results of Table No 11 and Fig No 11, 100% of the respondents have agreed that there is regular follow up to ensure that the right decision is given for the grievances.
12. The results of Table No 12 and fig No 12 indicate clearly that 100% of respondents have agreed that supervisor has been given authority to resolve grievances.
13. The correlation analysis in Table 13 and Table 14 shows that when there is deviation in the real basis identification it will be reflected in the level of satisfaction regarding decision given.
14. The correlation analysis in Table 15 and Table 16 shows that when there is deviation in the skills of the supervisor it will be reflected in the discussions and conferences.

7. Suggestions and recommendations

1. Job descriptions, responsibilities should be as clear as possible. Everyone should be informed of company's goals and expectation including what is expected from each individual.
2. Informal counselling helps to address and manage grievances in the workplace.
3. Proactive conflict management in the organization will be helpful to reduce the number of grievance rates.
4. Open door policy can be used. The barriers that exist between the various categories are to some extent broken by personal contact and mutual understanding.
5. A more formalized process needs to be implemented. Suggestion boxes are one of the mechanisms that can be installed. Suggestion Boxes will help to bring the problem or conflict of interest to light.
6. Accident rates, requests for transfers, resignations and disciplinary cases should

be analyzed since they reveal the general patterns that are not apparent.

7. Temporary relief measures are there but needs to be increased to ensure that the frustration and anxiety of the employee does not increase. This will help to keep the employee motivated and will contribute to productivity.

8. Conclusion

The study reveals that the Grievance handling mechanism in the bank is working satisfactorily. The organization is giving due importance for addressing the grievances of employees. The bank is making efforts to ensure those employees are satisfied with the measures taken to resolve their grievances. However, there is some scope for improvement. There is a lack of formal grievance redressal mechanism in the Bank and as such it may help if a more formalized mechanism is put in place. A formalized process will act as a catalyst to increase the speed of grievance resolutions which may help in retention and also increase the satisfaction of employees. There should be stress on quick resolution of grievances and if a permanent solution is not possible at least a temporary relief should be provided immediately. This would help to keep the employee motivated and

thus enable him to carry out his/her duties in an efficient manner which will benefit the Bank as a whole.

It is expected that this study will be useful when similar kind of research is undertaken.

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