

A Study of Employees Perception on Grievance Redressal Mechanism in Non Banking Financial Institutions in Kozhikode City

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Abstract: Grievances are complaints that have been formally registered in accordance with the procedure. Business used effective policies and procedures to resolve the different types of employee grievances. Some employees will use grievance procedures just to express frustration, while others will file a grievance to influence future contract related negotiations or protest unlawful practices. In all cases managers should strive for the most effective possible resolution that will satisfy both parties.

A non-banking financial institution is a financial institution that does not have a full banking license or is not supervised by a national banking regulatory institution or agency. NBFC provides different financial services like investment, risk pooling, market broking etc. NBFCs supplement banks by providing the infrastructure to allocate the surplus resources to individuals and companies with deficits. Hence the study is conducted to identify the employees' perception towards grievance management mechanism in selected NBFCs in Calicut city.

Keywords: perception, grievance, NBFC.

I. INTRODUCTION

A grievance is any dissatisfaction or feeling of injustice having connection with one's employment situation which is brought to the attention of management in the organization. Speaking broadly, a grievance is any dissatisfaction that adversely affects organizational relations and productivity. Employee's grievances are the dissatisfaction that must arise out of employment and not due to personal or family problems. Grievances may occur due to certain reasons. It may be related to wage adjustments, unsatisfactory work environment, attitude of supervisor, organizational change, employee relations or miscellaneous. If the grievances are not identified and redressed, it may affect workers, managers, and the organization. A grievance handling system serves as an outlet for employee frustrations, discontents. The existence of an effective grievance procedure reduces the need of arbitrary action by supervisors, because supervisors know that the employees are able to protect such behavior and make protests to be heard by top level management.

Employees perception is the process by which the employees are translate sensory impressions in to a coherent and unified view of the world around them. In employee relations perception is a major factor. Most of the time it is formed by organizational roles, authority and responsibility, supervision, style of leadership at the workplace etc. it is very important that the organization be able to form the correct perception in the minds of the employees working in the organization.

Non-banking financial institutions aid in economic development in the forms of mobilization of resources, capital formation, employment generation, long term credit and attracting foreign grants. NBFCs are spread all across the country with more than 13000 players registered with the RBI. NBFCs often take lead role in providing innovative financial services to Micro Small and Medium Enterprises most suitable to their business requirements. They channelize the scarce financial resources to capital formation.

Objectives of the study

- To know about employees perception on grievance management mechanism.
- To understand the nature of employees grievances.
- To understand the relationship between effectiveness of grievance management system and employee satisfaction on grievance management.

II. RESEARCH METHODOLOGY

The study follows descriptive research method. Both primary and secondary data are used in the study to satisfy the objectives of the study. The primary data was collected through questionnaire and personal interviews. Secondary data was collected from academic journals and websites. The sample size taken for the purpose of the study is 80 from different branches of Muthoot Finance, Manappuram Finance and Koshamattam

Finance. Simple random sampling is used as sampling technique and the study is conducted at Calicut city. Percentage, diagrams and chi square test are used for data analysis.

III. REVIEW OF LITERATURE

Chaudhary and Supriya (2016) conducted a study on redressal and settlement of employee's grievances in selected industrial units. The objectives of the study are to access a wide spectrum of working of the machinery for handling grievances in selected industries in India. The study covers 10 organizations from 3 centers of UP, Delhi and Haryana. The study uses both primary and secondary data. Primary data collected through questionnaire, personnel interviews and observation. Questionnaire was administered to 100 managers and 400 employees to elicit the companies' policies and perception regarding various aspects of grievances. The study concludes that the contents of grievances machinery vary from company to company. Six companies using open door policy for its identification.

Kapur and Kavitha (2007) conducted a study on consumer behavior towards grievance settlement in the purchase of textile products. The sole objective of the study is to measure the consumer awareness and related practices of grievance redressal on the purchase of textile products. The study follows descriptive research method and collecting both primary and secondary data. The entire study was conducted in Chandigarh. Simple random sampling and stratified sampling are used for selecting different wards. The conclusion reveals that education has no impact on customer behavior relating to grievance settlement.

Deshpande Rajashri and Shishir(2013) conduct a study on customer protection and grievance redressal system in banking industry. The objectives of the study are to understand the level of knowledge regarding customer protection and ombudsman scheme among bankers. The study uses both descriptive and analytical methods of research. The study was conducted in Thane district in Maharashtra. Stratified sampling technic is used for sampling purpose and questionnaire distributed to 104 managers, 234 employees, and 3025 customers. Chi square test and ANOVA were used for analysis. The study suggest that the bank should provide a separate help desk for day today complaint settlement and bank should give regular training to the staff members with reference to handling customer complaints.

Lawrence (2016) conducts a study on grievance management and its links to workplace justice. The objective of the study is to explore the influence of workers demographic characteristics on their perception of procedural justice from grievance management. The study is based on a survey of 660 employees across the public and private sectors. Perceptions were measured with the use of a dichotomous scale and logistic regression analysis was applied to test the relationship between dependent and independent variables. Findings of the study prove that except for the education demographic characteristics made no significant difference to workers perceptions of procedural justice.

Venkata kumar (2016) conduct a study on grievance handling procedure in selected major industrial units a case study of APSRTC. The study aims at enquiring the working of public sector enterprises in general and Andhra Pradesh state road transport corporation in particular and identify the dispute redressal mechanism of APSRTC. The study is both descriptive and analytical in nature. Secondary data collected from corporation headquarters at Hyderabad.

Findings of the study reveal the role of conciliator in redressal of disputes should be better appreciated by both the management as well as union representatives and there should be provision for workers participation in management.

IV. ANALYSIS AND INTERPRETATION

Chi-Square Test

Chi- square test of association is a statistical tool used to test the relations between the two categorical variables. It tests the significance between the observed frequencies with the expected frequency.

H0: There is no association between gender of the respondent and reason for grievance.

Table5.1: showing the association between gender and reason for grievance.

Gender	Reason for grievance.	
	Chi-square	Not significance
	4.285	.232

Source: primary data.

Table 5.1 states the chi-square association between the gender and reason for grievance. It is inferred from the table gender and reason for grievance has no significant association with chi-square value 4.285.

H1: There is no association between gender of the respondent and channel of grievance.

Table5.2: showing the association between gender and channel of grievance.

Gender	Channel of grievance	
	Chi-square	Not significance
	1.064	.587

Source: primary data.

Table 5.2 states the chi square value for the gender and grievance channel is 1.064 with P value .587, which indicates that there is no association between the type of grievance channel and gender of the respondents.

H2: There is no association between age of respondent and grievance carried forward authority.

Table5.3: showing the association between age and grievance carried forward authority.

Age	Grievance carried forward authority.	
	Chi-square	Significance
	26.326	.000

Source: primary data.

Table 5.3 depicts the chi- square value of age and grievance carried forward authority is 26.326 with P value .000, which indicates that there is a significant association between the age and type of carried forward authority. Phi and Cramer's V analysis is conducted for identify the association. The Cramer's value is .434, which is less than .5, hence there is a lower association between age and type of grievance carried forward authority.

H3: There is no association between age of the respondent and type of grievance machinery.

Table5.4: showing association between age and type of grievance machinery.

Age	Type of grievance machinery	
	Chi- square	Not significance.
	13.321	.010

Source: primary data.

Table 5.4 states the chi-square association between age and type of grievance machinery. It is inferred from the table age and type of grievance machinery has no significant association with chi square value 13.321 with P value .010.

Independent Sample T Test

H4: There is no significant difference on the perception of employees based on gender and satisfaction on grievance management.

Table5.5: showing significant difference between perceptions of employees based on gender and satisfaction on grievance management.

Particulars	Label	Sig
Satisfaction on grievance management.	Male	.971
	Female	

Source: primary data.

Table 5.5 states the perception of employees regarding grievance management based on the gender and satisfaction on grievance management. The P value is .971, which is greater than 0.05, which indicates that the null hypothesis is accepted. Thus there is no significance difference between the perception of employees based on gender and their satisfaction on grievance management. Thus the male and female employees feel same level of satisfaction on grievance management.

Correlation Analysis

H5: There is no relation between satisfaction on grievance management and effectiveness.

Table5.6: showing relation between satisfaction on grievance management and effectiveness

Satisfaction Effectiveness.	Pearson correlation	Sig
	1.00	.000

Table 5.6 portrays the correlation between the dependent variable job satisfaction and independent variable effectiveness of grievance management. Job satisfaction has shown highest significant relation with P value .000.

V. FINDINGS AND SUGGESTIONS

- Many people do not even recognize that they have grievance, even if they notice they do not more about it. The study highlights that of 63% of the respondents who experienced grievance in their organization relating to various subjects.
- 33% of them share with their friend, 25 % raise their concern to their immediate supervisor or coordinator, 19% share with their manager.
- 64% of those who expressed their grievance said that their grievance was redressed within a week, 27% said it was resolved within 1-2 weeks.
- Overtime, Sunday work, basic pay and other monetary benefits, leave policies are the major causes of grievance.

- 74% of the employees carry their grievance through word of mouth. It is believed that the formal grievance procedure takes long time and their stress level is also increased.
- Majority of the employees would like to solve the issue through informal methods; minor percentage of employees prefers formal methods.
- 45 % of the employees are comfortable with the clarity and openness of grievance handling procedure and 42% affirm that grievances are handled without any discrimination and facts of grievances are checked rather than hearsay.
- There should be a proper communication system which encourages employees to voice their grievance.
- Supervisors and managers need training in interpersonal relation to avoid excessive grievances in workplace.

VI. CONCLUSION

If grievances are handled and solved at earliest, it can be proven as a great tool of motivation. In today's competitive environment of increasing mental work and decreased physical work grievance management can be used as a great motivation tool to all the organizations reviewing their motivational methods to increase the morale and performance of the employees. If the employees has grievance regarding work environment it can also be solved through different training methods. Grievance mainly exists in the organization because of dissatisfaction of employees. Hence the management should give importance to grievances reported by the employees and properly redress the grievances. It definitely increases the morale and performance of employees.

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