



# PREVENTION IS BETTER THAN CURE GRIEVANCE HANDLING FOR BANKERS IN CHANGING HR DYNAMICS

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## 1. Introduction

### 1.1 Changing role of Human Resource Management

Human resource, as explained by the word itself, consists of humans who are part and parcel of the society. As the society experience technological, cultural and economic paradigm shifts, so will the employees. That is the reason why, whilst many other organizational functions seldom experience significant changes, Human Resource Management often requires modifications to its preceding methods.

Human resource personnel in the banking industry are still attempting to comprehensively absorb the following HRM trends that emerged in the new millennium (Global Human Capital Trends 2014; Deloitte) which were focused in reshaping the nature of work and the ways organizations approach talent management.

Learning and development into the spotlight- Actively exploring new approaches to learning and development as they confront increasing skills gaps.

Culture and engagement - The naked organization: Focusing on corporate culture and dramatically improving employee engagement as the market competition threatens to bring a crisis in engagement and retention.

Workforce on demand - Managing all aspects of the workforce sophisticatedly, including the hourly, contingent and contract workforces within organizations.

Performance management - The secret ingredient: Replacing traditional performance management with innovative and agile performance solutions.

People data everywhere - Bringing the outside in: Expanding HR data strategies by harnessing and integrating third party data about their people from social media platforms.



-Simplification of work - The coming revolution: Simplifying work environments and practices in response to “information overload” and increasing system complexity.

Machines as talent - Collaboration, not competition: Cognitive computing, the use of machines to read, analyze, speak, and make decisions, is impacting work at all levels.

Making things even more complex, some more new HR and management trends are developing in the banking industry.

Consumerization - People are more and more expecting an experience at work that is comparable to the experience they have at home.

From individuals to teams – Business organizations are converting from being static hierarchical organizations to networks of teams that are able to adapt to the continuously changing environment. Traditionally the focus of HR has been on individuals. Many of today’s HR practices such as recruitment and performance management take the individual employee as the starting point. The view of HR is also often limited to the people on the payroll of an organization, with less or no focus on people and teams who are important for the organization but not on the payroll. However, to be in line with the organizational change, focus of HR needs to be shifted from individuals to teams.

As a result of the above stated changing dynamics in relation to HR and Management, complications and grievances are much likelier to arise pertaining to the same. From a bank’s point of view, it is vitally required to address those grievances carefully and provide remedies to prevent those from turning into disputes.

## **1.2 Role of Grievance Handling**

Effective grievance handling is an integral part of the relationship between management and workforce. Industry relations authors have emphasized the value of grievance handling and promotes the benefits to both management and employees. Further, many authors have argued that grievance resolution is an important component of the industrial relations system and more generally the relationship between management and unions.

The magnitude of the importance of grievance resolution can significantly increase in industries like banking and finance where the skilled workforce is relatively higher. This article explains the sources of grievances and comprehensively describes the accepted methods of effectively handling such grievances.



## 2. Grievance Defined

This section of the article attempts to arrive at a working definition of the word 'Grievance' by analyzing different viewpoints.

Opatha (2009) has cited evidence from below mentioned authors, where Grievance is defined.

"A formal complaint regarding the event, action or practice that violated the contract" (Paul, 1993).

"Grievance is simply a complaint, which has been formally presented in writing, to a management representative or to a union official" (Pigors and Myers, 1969).

"Any real or imagined feeling of personal justice which an employee has concerning his employment relationship" (Davis, 1971).

"Any discontent or dissatisfaction whether expressed or not and whether valid or not arising out of anything connected with the company that an employee thinks believes or even feels is unfair unjust or inequitable" (Tripathi, 1992).

Mamoria (1991) notes that Grievance is a word which covers dissatisfaction and which has one or more of the following characteristics and an employee feels that an injustice has been done to him.

- It may be unvoiced or expressly stated by an employee
- It may be written or verbal
- It may be valid and legitimate, untrue or completely false or ridiculous
- It may be arising out of something connected with the organization or work.

Grievance can be further described as "a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service" (The International Labour Organization).

"A grievance is usually interpreted to mean a disagreement or dissatisfaction of a minor form connected with the day-to-day work or conditions of work or prevailing rules and which has still not become a matter of concern to the employees collectively or which is a violation of the terms of employment" (Manual of Personal Procedure by E. F. G. Amarasinghe).

"Any factor involving wages, hours or conditions of employment that is used as a complaint to the employer" (Gary Dessler, 1978).

The term Grievance means any discontent or dissatisfaction arising from a feeling or a belief of injustice felt by an employee or a group of employees in connection with the



work environment. It refers to any complaint or discontent of an employee relating to his / her employment in the organization. Grievance must arise out of something related to the organization where the grievant is working. An employee can be dissatisfied due to outside reasons such as illness in the family, dislike for the spouse, quarrel with a neighbour etc. These outside reasons creating discontents within an employee are beyond the control of the organization and therefore discontents arising out of such outside sources are not regarded as grievances (Opatha, 2009).

By considering the above definitions we can develop a working definition about a grievance stating that “a grievance is any feeling of displeasure either real or perceived by an employee due to mistreatment, opposition, injustice or any other work related reason which results in a verbal or written complaint forwarded to the organization”.

### **3. Sources of Grievances**

In practice grievances can arise due to numerous reasons. This section of the article summarizes different authorities who have categorized the sources of grievances generally in line with the banking and finance industry.

Reed Richardson has categorized the sources of grievances as,

#### **I. Causes relating to the job**

- Inability of the employee to perform job related duties and responsibilities
- Employee has to perform a duty which is not mentioned in his/her job description
- Improper matching of the employee with the job
- Improper or wrong job training

#### **II. Causes relating to working conditions**

- Changes of working time or working place without having employee consent
- Hazardous health and safety conditions
- Poor relationships with the superior
- Autocratic leadership style of the superior
- Lack of required systems/equipment to perform the duties

#### **III. Causes relating to Personnel management decisions**

- Employee wages and incentives
- Transfers
- Promotions
- Leave
- Termination
- Training and development
- Performance evaluation
- Negative attitudes towards trade unions



#### IV. Causes relating to alleged violations

- Violation of the terms and conditions of the collective agreement by the management
- Negligence of past practices by the management
- Unfair or tough disciplinary actions
- Low attention towards management responsibilities

#### V. Causes relating to inappropriate life style and social behaviour

- Superiority complex
- Unrealistic attitudes
- High desires

According to Rachel Naylor, five sources of grievance have been identified.

##### I. Outright violation of the agreement

##### II. Disagreement over facts

##### III. Dispute over the meaning of the agreement

##### IV. Dispute over the method of applying the agreement

##### V. Argument over the fairness or reasonableness of the actions

Furthermore, James Menzies Black has categorized the grievance into six parts.

##### I. Discipline

Employees usually allege discrimination, superior/manager failure to follow proper procedure, the imposition of excessive punishment or a violation of the union contract.

##### II. Dismissals

Termination of employment is a continuous source of grievances. A dismissal might be welcome under the classification of discipline, but because of the finality of the act and because there is the greater likelihood that a grievance will occur from its imposition than from a lesser penalty it deserves a special category.

##### III. Job classifications

Narrow or tight classifications are a frequent source of grievances. In such situations employees may complain that they were required to do work that falls outside of their regular duties or that other employees have performed tasks that contractually belonged to them. On the other hand, some may complain that management has rated a job too low and that the job deserved to be in a higher classification.

##### IV. Merit rating (Relates to outsourced staff when considering the banking industry)

Companies whose compensation system for hourly employees includes merit review of the employee's performance to determine whether or not particular employees will receive pay raises, are likely to get complaints from workers who failed to get such increases.

##### V. Seniority

When decisions are made regarding promotions, transfers, and demotions by considering both the abilities and seniority levels of employees, several grievance issues can be raised by the affected employees.



#### VI. Work assignment

Many grievances are the result of employee claims that they have not been treated fairly in the assignment of jobs.

## 4. Types of Grievances

In general, grievances can be categorized as follows:

### I. Individual grievances

These grievances are initiated by the employee or a union. This is where the individual employee seeks a settlement specific to him or the union seeks a settlement on the employee's behalf. This is the most common form of grievance and proceeds through all grievance stages. In banking and financing industry, it is observed that employees often escalate the grievance to a higher level on their own without the involvement of a union as the literacy and the competency level is relatively higher across the industry of a bank employee regardless of where they are positioned in the company hierarchy.

### II. Group grievances

These are the grievances initiated by the employee or a union, but where other employees indicate by signature that they too desire the same settlement. This is a case where a group of employees share identical or near identical circumstances; it is a grievance on the same matter. Where the parties of a group grievance are employed in a single department, the grievance proceeds through the grievance steps relevant to that department. If the parties of a group grievance are in different departments, the grievance proceeds directly to the chair person.

### III. Union or policy grievances

These are situations where the subject matter of the grievance is of general interest and where individual employees may or may not be affected at the time of the grievance. If the matter raised affects a single department, it would proceed through all grievance steps; and if the matter raised affects more than a single department, the grievance handling proceeds directly to the chairperson.

## 5. Approaches to Grievances

A formal grievance procedure sometimes leads management to conclude that the proper way to handle grievances is to abide by the "letter of the law". Therefore, management does no more, nor less than the legalistic approach called for in the contract. Such an approach can be labelled as the behavioural approach to the resolution of grievances. However, to cope with the changing HR dynamics in the modern banking industry, much more realistic approach is required as the raised grievance may be a symptom of an underlying problem that management should investigate and rectify.



It is important to consider the behavioral aspects of grievance in order to understand why grievances are filed and how employees perceive them. Regarding why a grievance has been filed, researchers have found that union stewards rather than employees tend to initiate grievances over job descriptions. Further, grievances over work rules are the least likely ones to be settled informally without resort to the use of grievance procedures.

Management should recognize that a grievance is a behavioral expression of some underlying problem. This statement does not mean that every grievance is symptomatic of something radically wrong. Employees do file grievances regarding petty matters as well as regarding important concerns, and management must be able to differentiate between the two.

## 6. Identification of Grievances

An experienced manager is capable of identifying possible grievances beforehand. Poorly handled employee complaints may result in the filing of formal employee grievances. Therefore, it is necessary to identify employee grievances before they become a severe source of conflict.

Flippo B. Edwin (1966) has suggested the following methods to identify grievances.

### I. Suggestion Boxes

This method is called the gripe box. A company that establishes an anonymous gripe system is keen to bring all conflicts of interest to light. Anonymity may provide courage to submit a dissatisfaction which will otherwise go unvoiced. However, this means of stimulating the submission of disagreements makes it quite difficult to accomplish the objective of resolving the disagreement.

### II. Direct Observation

An excellent superior knows the normal behaviour of his subordinates. When significant changes occur, he would be concerned of the possible causes. In addition to direct observation of individual human behaviour, the study of various records and statistics can often give clues to general areas of trouble. Analysis of the number of grievances filed by a department, regardless of their content, may disclose additional unvoiced conflicts. Absenteeism rates, accident statistics, requests for transfer, resignations and the number of cases of disciplinary action will often reveal difficulties which are not apparent in any one particular absence, accident, transfer, resignation or disciplinary action.

### III. Exit Interview

The exit interview provides a last opportunity to identify the nature of the complaint. If the dissatisfaction is too high the employee may decide to leave the company. However, it is very much difficult to conduct exit interviews effectively. The non-directive type of interview is usually preferred.



#### IV. Attitude Surveys

Attitude Surveys reveal existing grievances as well as grievances which may occur in the future by using questionnaires, interviews and observation method as data collection tools (Opatha, 1995, p.312).

One quick and relatively inexpensive way to gather data concerning the options, attitudes and job satisfaction in large groups of employees is to survey them formally through questionnaires. Many organizations implement an attitude survey periodically, often annually, to spot problems.

Attitude Survey is a formal anonymous survey designed to measure employee likes and dislikes of various aspects of their jobs. They ask employees how they feel about the work they do, their superior/manager, their work environment, their opportunities for advancement, the quality of training they received, the company treatment of women and minorities and the fairness of the company policies. (Luis R. Gomez, David B. Balki and Robert L. Cardy, 2003, p.444).

Attitude surveys often cover many variables and are administered to many people at the same time, generally under the same conditions. Consequently, attitude surveys can be reliable as well as reasonably valid, if they have been properly constructed by people who are thoroughly knowledgeable of the situation.

There are specialized organizations who conduct attitude surveys for corporates, (Eg. Great Place to Work) and it is observed that many financial institutes have obtained their service recently.

#### V. Miscellaneous Channel

Group meeting or gripe sessions are conducted by some superiors/managers who have the courage and balance perspective to solicit complaints policy.

Unsolicited employee letters sometimes constitute an additional channel. One firm utilized a black board in a manner similar to the gripe box method. The complaint or rumour was written on one side, and the management wrote an answer opposite it on the other. Scheduled interviews of present employees can be conducted to attempt to discover the source of difficulty. Collective bargaining is a highly formalized method of discovering the discontents of employees.

On rare occasions, the informer has been used. The employment of labour spies is not to be recommended, but this technique utilizes a basic principle of communication. In order to understand people, they must be studied where they stand in their customary social and physical environment. Though an employer may have the best intentions in utilizing an informer and wants to know what his employees truly believe without reprisal or punishment, the practice is highly objectionable to all concerned. A more orthodox technique will produce more value in the long run.





## 7. Preventing Complaints from Becoming Grievances

Although grievance procedures make a contribution in providing an opportunity for solving problems, any grievance is disadvantageous to both parties. Management and employees have their attention diverted from their jobs while a solution is being sought. Also, top management at many firms prefer that management keep grievances at a minimum rate. Their view point is that an effective manager can resolve conflicts without having to resort to the grievance procedure, for the reason that poorly handled or unsettled complaints will create a grievance and problem will be escalated to a higher pedestal on a much more serious note.

Claude S. George (1982) offers a number of helpful suggestions for the proper handling of complaints and gripes.

- I Never ignore a gripe or complaint  
If the management ignores a concern of an employee it can create a major problem. The employee will also bad mouth the management as they did not take action to resolve the problem and did not listen to the gripe. Some people carry around unresolved gripes and complaints in their heads for years.
- II Treat the employee and his or her complaint as being important  
People are small-minded when it comes to their own complaints. Therefore, each case should be taken into account seriously.
- III Listen carefully to the employee's point of view  
Gripe management is a form of counselling. If the management carefully listens to the problem they will be able to uncover the real problem annoying the person.
- IV Keep temper under control  
A characteristic of a successful immediate superior is remaining cool under pressure. Listening to a gripe that you think is unfounded tests your ability to remain composed under pressure.
- V Withhold your decision until you have collected the important facts  
When you receive a gripe be sympathetic, but avoid reaching a decision until you get all relevant information. When considering the finance industry, it is more important for the management to be empathetic than sympathetic as it would aid to find the root cause of the issue in the complex banking environment.



## 8. Methods of Grievance Handling

### 8.1 Open-door policy

An open-door policy means that employees can voice their complaints by going directly to a manager, even on short notice. (Dubrin, 1987). The open-door policy can be used by managers at any level. In some firms, the president is willing to listen to complaints from employees at any level. Most managers contend that they have an open-door policy, and virtually no manager will admit to having a closed-door policy. The open-door policy helps create a positive climate for airing complaints and prevents some grievances. However, this policy is an incomplete grievance procedure. Even though the manager maintains an open door, some employees will be reluctant to walk through with complaints. And since the manager is the sole judge, he or she runs the risk of making arbitrary or inconsistent decisions. Another problem is that many of the complaints relate to the manager. This places the manager in an awkward position of having to reverse a decision when faced with a valid complaint.

### 8.2 Ombudsman

The ombudsman is a neutral and capable person assigned by a firm to help employees process their complaints. Ombudsman is the Scandinavian term for a person who helps citizens process complaints against the government and cut through red tape. The ombudsman must be skilled in resolving conflict and knowledgeable about organizational procedures.

The ombudsman mediates between the employee and the superior/manager or other bank officials. It is believed that by remaining outside the normal chain of command the ombudsman is more open to both the interests of employees and the bank. Usually the Ombudsman does not have the right to arbitrate a decision, but acts as a mediator who knows how to get complaints resolved. The ombudsman grievance procedure can work well. Employees have access to someone who is genuinely concerned and who can be helpful. A compromise satisfactory to both sides often results when the ombudsman acts as mediator. This type of grievance procedure is highly dependent upon the skills of the ombudsman: this person must be impartial and highly trusted with the ability to balance the interests of the company and employees. Ombudsman is at risk too. In the words of an investigative reporter it is not at all uncommon for an ombudsman to be fired for advocating a cause that is unpopular with management. (Dubrin, 1987)

### 8.3 Jury of peers

Using the jury of peers or decision procedure, unresolved grievances are submitted to a panel of co-workers and managers. The panel chosen is similar to a jury in a criminal case. Panel members weigh evidence and after group discussion vote for or against the grievant. The decision need not be unanimous, but unanimity is commonly sought. Alan Balfour observes that the main benefit of the system is its perceived justice. Ironically the perceived justice aspect is also its greatest liability. The peers passing on the outcome of an employee's grievance may lack professional knowledge about organizational justice. (Dubrin, 1987).



## 8.4 Hearing Officers

A hearing officer is a staff specialist who is employed by the firm to arbitrate disputes between employees and management. This grievance procedure is an intermediate step between peer review and outside arbitration. Even though hearing officers are organizational employees, they are supposed to be impartial. Before a grievance gets to a hearing officer, it has been heard at lower levels. Hearing officers are more likely to be found in government agencies than in business firms. However, banks are observed to be trying to adopt this technique in various similar forms.(Durbin, 1987).

## 8.5 Outside Arbitration

The referral of an unresolved grievance to an outside expert for his or her binding opinion is called outside arbitration. An outside arbitrator functions as a judge. This grievance procedure is even rarer in non-union financial institutions than union oriented financial institutions. Outside arbitration has greatest credibility with employees. Credibility is high because the arbitrator's fees are shared by the employer and the employee.

## 8.6 Personal Counsellors

Considering the risk, pressure and many other adverse factors arise due to the nature of work, many banks in the world opt to hire trained psychologists to act as counsellors for employees. Usually these counsellors are members of a staff personnel department. The rationale for counselling systems is somewhat similar to that for the gripe box. When the employee does not wish to go to his superior, he can go to a person outside the chain of command who will preserve his identity and confidence. It takes time to build up an atmosphere of impartiality and trust about the personal counsellor, who is often considered a member of management in a staff capacity. (Flippo B. Edwin, 1966)

## 8.7 Grievance Committee

Special committee is formed by delegating specific power. Employees have opportunity to express their grievances to the committee. The committee is arranged in fixed period of time and seeks solutions for each grievance by analyzing them carefully. Normally this committee consists of,

- CEO or Deputy Chairman
- Human Resources Manager
- Manager/Immediate Superior of the grievant

## 8.8 Formal Grievance handling procedure

A grievance procedure should be part of a larger effort to enhance communication. Making clear and timely communication is a priority. Even with good communication, grievances may



still occur. Both employers and employees should understand that having a grievance procedure provides a process for resolving conflicts and can help facilitate the effective use of resources, maintain good working relationships, and support a positive overall experience.

### **8.8.1 Defining Grievances Handling Procedure:**

Grievance Handling Procedures are formal communication channels designed to settle a grievance as soon as possible after the problem arises - (Mathis and Jackson) The number of steps involved in the Grievance Handling Procedure varies according to the size and nature of the financial institution.

Mamoria notes, "The details from the grievance procedure vary from industry to industry and from trade union to trade union because of the variations in the size of the organizations and in trade union strength, in the management philosophy, in the company traditions, in industrial practice and in the cost factor.

### **8.8.2 Features of a Formal Grievance Procedure:**

Boise State University (2002), offers following characteristics to be included in a formal grievance handling procedure. The same can be recommended as desirable for many organizations in the banking and finance sector.

#### **I. It should be demonstrably fair**

The attitude of management is important here. Entire management should accept the employee's right of appeal as long as no bypassing is involved. In a unionized concern, management should also accept the employee's right to be represented, if they so desire by a union official. Such representation assures that an employee has the benefit of counsel from someone in his organization who has training and experience in presenting grievances.

#### **II. The provisions should be clear cut**

No grievance procedure can be expected to work satisfactorily unless there are definite provisions consistently adhered to determining what is to be done, when and by whom. Every employee should know (a) to whom complaints are to be addressed, (b) in what form (oral or written), (c) what restrictions, if any, there are regarding when complaints can suitably be presented, and (d) how long a complainer should expect to wait before finding out what action has been taken or planned in connection with his complaint.

Unless these provisions are set up, made known and consistently adhered to, it is unrealistic to expect that employees will cooperate by expressing their dissatisfaction to the appropriate authority, in the correct form and at a suitable time.



### III. It should be simple

The grievance procedure should be sufficiently simple so that it can easily and quickly be explained to each new employee before he or she begins working for the company. It should also be simple so that it can be readily understood even by a person who has had relatively little formal education. The success of any procedure for handling dissatisfaction depends on effective communication between employee and management representative as well as union officials.

#### **8.8.3 Basic Principles of Grievance Handling Procedure:**

It is wise to establish an effective grievance handling procedure in the organization. According to the Indian Institute of Personnel Management the following principles should be observed while laying down a grievance procedure.

I. A grievance should be dealt with in the first instance at the lowest level; that is the employee should raise his grievance with his immediate superior. It may be simple to settle it on the spot and that will be the end of it. Even if it cannot be settled at that level, the superior will know what is happening. This is necessary not only to maintain his authority but also to prevent him from being aggrieved, as he will certainly be, if he is bypassed and later hears of the complaint from his own superior.

II. It must be made clear to the employee what the line of appeal is, so that if he cannot get satisfaction from his immediate superior, he may know the next higher authority to whom he can go.

III. Since delays cause frustration and tempers may rise and rumors spread around, it is essential that grievances are promptly dealt with.

IV. It must be clearly understood in establishing a grievance procedure, that if the grievance is against an instruction given by a superior which is in the interest of discipline, that instruction must be carried out. Only then can the employee register his protest and set in motion the procedure.

V. The grievance procedure should be set up with the participation of the employees and it should be applicable to all in the organization. It should be agreed that there will be no recourse to the official machinery of conciliation unless the procedure has been carried out and there is still dissatisfaction. Moreover there must be no direct action on either side which might prejudice the case or raise tempers while the grievance is being investigated.



## 9. Reasons for Failures in Grievance Handling

### I. Not comprehending facts accurately

Facts are of little value if they are misinterpreted. Study all information carefully and make sure you are interpreting it properly before you decide what to do.

### II. Putting off making a decision

Putting off a grievance decision until tomorrow only makes things difficult. The employee wants a "Yes" or "No" answer to his complaint.

### III. Refusing to recognize changed circumstances

No book will provide an automatic solution to every problem. Sometimes precedent is not a guide, and the agreement itself instead of giving precise direction, probably leaves plenty of room for you to exercise your judgement. Conditions change and an organization must adjust to changing circumstances. Precedent is important but only if it is pertinent to the case you are considering.

### IV. Refusing to make exceptions to the rules

Consistency in the administration of discipline and employee relations generally is highly desirable, but mental rigidity is not. Good rules should usually be observed. But it is unfair to him for the sake of a rule or simply to uphold consistency. If because of unusual circumstances surrounding a case, the imposition of a penalty in a particular situation is unjust, or if upholding a rule deprives an employee of an opportunity that he should rightfully have you should consider making an exception.

### V. Failing to anticipate future problems

The experienced superior/manager prevents many grievances from occurring by identifying upcoming problems that may annoy or worry employees.

### VI. Failing to follow the course of grievances

The mere fact that a superior/manager is unable to settle a grievance at his level is no excuse for forgetting about it. He still shares in the responsibility for its final solution. If there are needless delays by higher management in the determination of the dispute encourage your management to speed up the process. The employee wants an answer. Slowness can cause you difficulties.

### VII. Magnifying the weaknesses of the grievance procedure

The grievance machinery has built-in faults usually attributed to the people responsible for operating it. Nevertheless it is a tested and proven system of industrial justice that safeguards the employee's rights, gives him a means of bringing his complaints to the attention of management and if administered properly protects the rights of management.



True it takes time and trouble to settle grievances. But it is important to do so. The effort spent today in the sensible adjustment of employee complaints pays off tomorrow in positive human relations.

## 10. Succeeding in Grievance Handling

According to the author, the success of the grievance handling procedure is the grievant accomplishing his/her intended purpose or the solution he/she desired or planned. Basically it is the grievance handling procedure providing results in a manner which is favourable to the grievant.

If the grievance handling procedure generates results which pleases the grievant, then that procedure can be illustrated as a success. The idea of the success of the grievance handling procedure is the resolution made in favour of the employee regarding his grievance.

According to the author, success of the grievance handling practices, mainly depends on four major factors attributed to the grievance handling procedure.

- I. Speedy settlement of grievances
- II. Level of acceptance of employees about the grievance handling practices.
- III. Perceived justice of grievance handling practices.
- IV. Management abilities of handling grievances of employees.

### I. Speedy settlement of grievances

According to Nurse and Devonish, (2007), the success of the grievance handling procedure is largely dependent upon the time elapse between the time a complaint is made and the actual time at which a formal resolution is made by the management. According to Nurse and Devonish (2007), one of the cardinal principles of effective complaints and grievance management is that workers' concerns should be addressed in a timely fashion. For this to happen, one of the conditions that must be present in the unionized environment is that there should be a sufficient number of competent trade-union representatives and management at the workplace. The same holds for union officials who must be available for providing this essential service to union members, in the event disagreements and misunderstandings are not resolved at the local level, and especially if third party assistance in the form of conciliation or grievance arbitration is required.

### II. Level of acceptance of employees about the grievance handling practices

Nurse and Devonish, (2007), further states that the success of the grievance handling's procedure will be determined based on the employee's rights to representation and the ability to appeal in any disagreement. Nurse and Devonish (2007) states, through effective grievance management, workers can legitimately protest contract violations, and seek redress when contract clauses have been improperly applied or inappropriately



interpreted. Grievance management assists with the resolution of disagreement over facts and employees initiate the process if they perceive that the treatment received at the hands of management is unjust, unwarranted, discriminatory, or inconsistent when compared with that received by others under similar circumstances.

Grievance systems should also ensure “voice”, or the opportunity to be heard in the organization, (Feuille and Chachere, 1995; Freeman and Medoff, 1984). According to them, “Voice” allows employees to assert and protect their job rights. Grievance systems should also specify employees’ rights to representation and allow for appeal against decisions with which they disagree. Effective grievance management ultimately affords workers an ability to assist in shaping decisions at the workplace that affect them.

### III. Perceived justice of grievance handling practices

As per Peterson and Lewin, (2000), the success of the grievance handling procedure is reliant on the employees trust and confidence about the grievance handling procedures. They state, Perceived fairness of grievance system positively associated with use of the system and overall effectiveness ratings; grievants and their management have poorer performance following grievance settlement than non-grievant and their management; grievance process is one of a bundle of high involvement human resource practices positively associated with organizational performance.

Fryxell and Gordon (1989) tested relationships between beliefs in procedural justice, distributive justice, moral order, and unionists’ overall evaluation of the grievance system as well as union members’ satisfaction with their unions and employers. They found that procedural due process was positively associated with union members’ assessment of the grievance system as a whole, while both procedural and distributive justice was positively related to members’ satisfaction with their union.

### IV. Management abilities of handling grievances of employees

Peter and Lewin’s, (2000) verified that superior/managers’ ability and attitude towards grievance handling is an important determination of the grievance handling procedure. Fleishman and Harris (1962) found that foremen judged high on “consideration” showed a negative but curvilinear relationship with grievance filing by employees in their work groups, whereas the opposite was true of “task oriented” foremen. Additional analysis showed that grievances occurred most frequently among work groups whose foremen were low in consideration regardless of the amount of emphasis that foremen placed on job/task structure. Later, Walker and Robinson (1977) found that “autocratic” superiors had fewer grievances and were better contract administrators than “democratic” superiors.





## 11. Conclusion

Human Resource Management can be defined as the efficient utilization of Human Resources in order to achieve the organizational goals and objectives effectively. Specially in banking and finance industry, Human Resource can be identified as the unique and the most important asset an entity possesses, because of the dynamic characteristics of human capital and the competitive edge an entity can gain by utilizing it.

However, due to this unique nature, the field of human resource management experience regular changes in its core management models and practices. This often creates conflicts, grey areas and grievances. As a result, maintaining and retention of the employees within the organization has become a major problem in the industry.

People always tend to face problems either in their work lives or in personal lives. Human Resource Departments in banking industry across the world carry the responsibility of ensuring that the workers are problem free and they contribute willingly towards the achievement of the bank. Grievance handling plays a major role in making this daunting task a success. A grievance is any feeling of displeasure either real or perceived by an employee due to mistreatment, opposition or injustice which results in a verbal or written complaint forwarded to the organization. If the grievances are not properly addressed, the organization will have to suffer the adverse consequences of same such as higher absenteeism, higher employee turnover, poor employee-management relationships and deterioration of discipline.

Considering the immense pressure in the banking industry triggered by internal and external competition, it goes without saying that grievance handling needs to be treated as one of the robust stepping stones in the road to success.

You can't prevent what you don't attend!

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