THE IMPACT OF GRIEVANCES HANDLING PROCEDURE ON JOB SATISFACTION: A STUDY OF LOWER LEVEL MANAGERS IN A SELECTED PRIVATE BANK, SRI LANKA

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Abstract: This study attempts to identify the impact of grievances handling procedure on job satisfaction of lower level managers in a selected private bank, Sri Lanka. As per the researches on banking industry, it was found that the most of employees show higher dissatisfaction about working environments, existing workload and tough work schedule in their banks. As a result, maintaining and retention of the best performers within the organization has become a major challenge in the industry. This study is aimed to investigate the impact of grievances handling procedure on job satisfaction of lower level managers in a selected private bank, Sri Lanka. The data were collected from 105 lower level managers in the selected private bank, by administering a structured questionnaire, which consisted of 55 questions/statements with 5 points Likert scale: The data analysis included the univariate and bivariate analyses. The results of the research revealed that there is a positive and significant impact of grievances handling procedure on job satisfaction of lower level managers in the selected private bank. The findings showed that dimensions of grievances handling procedure like timeliness, structure of the procedure, justice ensured by the procedure and participation of managers and trade union also have a positive and significant impact on the job satisfaction of lower level managers. An indicated by the empirical data, job satisfaction of lower level managers in the bank depends on grievances handling procedure in the company. According to the behavior of the dependent and independent variables, dimensions of grievances handling procedure like timeliness, structure, justice and participation enhance the job satisfaction of the lower level managers. To conclude, it may be said that though this research is based on the study of a particular employee category, the findings may be followed to improve the effectiveness of the procedure across organizations.

Index Terms: Grievances Handling Procedure, Job Satisfaction.
I. INTRODUCTION

The sound performance of any organization within an industry, is basically determined on how satisfied their workforce are. Thus, the important fact is that, no employee would ever be satisfied on all accounts. Same applies to the employees in banking industry specially, who may not be satisfied with rapidly increasing competition of industry in globalized era.

Especially, in banking industry, human resource can be identified as the unique asset an organization possesses, because of its dynamic characteristics and the distinct competitive edge an entity can gain by utilizing it. The bank believes that human resource should be well-trained in creating a competitive edge for sustainable business performance, hence banks are committed to take a good care of its human resources. Also, the banks expect to improve employee satisfaction which is a key component of stakeholder value creation process to make a win-win environment for all (Panghal, 2013). There are many issues surrounding grievance-handling practices as perceived and realistic to both employer and employee. 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. Grievances generally arise out of day-to-day working relations in an organization. In an organization a grievance may be presented by an employee or group of employees, with respect to any measure or situation that directly affects the individual or is likely to affect, the conditions of employment of many workers. According to Margolies (2004), some concerns on handling grievances are; management treating a grievance as an ill motive, victimization, delay in handling grievances, only to mention but a few.

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. Due to this unique nature of human resources, the field of human resource management experience regular changes in its core management models and practices. This often creates conflicts, grey areas and grievances. Grievance handling plays a major role in making this daunting task a success. 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.

Therefore, effective grievance handling is an integral part of the relationship between management and workforce. Industrial relations authors have emphasized the value of grievance handling and promote 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. (Wijayaratne, 2017)

Management may not have the required competency of handling disputes. The reasons may be, they may put more focus in following the law and due process rather than focusing on resolving a grievance. In addition, the employer’s main concern is productivity and when one way has always achieved favorable results then it becomes reluctant in implementing or reviewing its grievance handling practices (Melchades, 2013; Nurse and Devonish, 2007; and Zulkiflee et al., 2011). 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. (Wijayaratne, 2017) Therefore, to keep banking employees satisfied, grievances arise within work places should be immediately redressed and settled. Unless grievance could not be able to redress on time, it would definitely be a threat to the soundness of the organization. Because increasing rate of grievance can decrease the job satisfaction and productivity of employees, it affects the organizational performance directly. So that, grievances of employees in banking sector should be solved as early as possible otherwise it creates adverse effects upon the performance of the individual and organizational at large.
1.1 Problem Background and Problem of the Study

Employees are the most precious and important asset of any organization, hence employee job satisfaction has now become one of the top priority issues in every the industry (Kumari and Pandey, 2011). Job satisfaction is defined as “the extent to which people’s willingness towards the job” and is influenced by multiple factors. (Mosammod and Nurul, 2011). A person with high level of job satisfaction holds positive feeling about his or her job, while a person with a low level of satisfaction holds negative feelings. Job dissatisfaction of employee’s mainly occurs due to absence of work recognition and the benefits that they are received. However, company policies and practices, achievement and advancement, feedback and communication, ability to work independently and general working conditions make employee satisfy at every time (Maniram and Dissertation, 2007).

As per the researches on banking industry, it was found that the most of employees shown higher dissatisfaction about working environments, existing work load and tough work schedule in their banks. As a result, maintaining and retention of the employees within the organization has become a major problem in the industry. It is commonly accepted that whether the grievance is genuine or imaginary, prompt consideration is required as non-redressed grievance would adversely effect on an employee job satisfaction, productivity and positive attitude. In general there is a high labor turnover in banking sector. Because of the turnover both the organization and people have to face many financial and non-financial problems. High turnover incurs a huge cost to the organization, and also it badly affects the organization competitive advantage and sustainable development.

In Sri Lankan context there is an empirical and theoretical knowledge gap about the impact of grievances handling on job satisfaction of lower level managers in Sri Lankan private banks. Hence, this study was conducted to see whether there was an impact of grievances handling procedure on job satisfaction of lower level managers in a selected private bank in Sri Lanka. But the impact of effective grievance handling on job satisfaction of lower level managers in a selected private bank in Sri Lanka may vary.

Therefore, the research problem of this study was “what is the impact of grievances handling procedure on job satisfaction of lower level managers in a selected private bank in Sri Lanka?”

1.2 Research Framework

The independent variable of this study is grievances handling procedure and the dependent variable is Job satisfaction. The variance of the dependent variable is attempt to be explained by independent variable (grievances handling procedure) and its dimensions namely timeliness, structure, justice and participation. A grievance-handling procedure is considered as one of the most significant practices of industrial relations as it is a medium for a worker to file his grievances. A grievance-handling procedure opens an avenue to an employee to file his/her dissatisfactions (Meija 1991). Any dissatisfaction with the process of handling grievances would actually lead to outcomes like low satisfaction or low commitment of employees to unions and employers (Eaton et al. 1992). This would consequently have a negative impact on workplace relationships (Gordon and Bowlby 1988). Thus, the above argument led for the development of first hypothesis.

(H1): There is an impact of grievances handling procedure on the job satisfaction of lower level managers in a selected private bank in Sri Lanka.

According to (White, 1989; Tripathi, 1992 as cited in Opatha, 2009) time limit should be placed and rigidly followed at each level for speedy settlement of a grievance. (Opatha, 2009) notes time limits as one of the characteristics that a good grievances handling procedure must have. Olathe (1994) opines that the mere existence of a grievance settlement procedure will not ensure the successful handling of employee grievances and proposes speedy settlement to be a characteristic of such a procedure. Promptness has been found to be one of the four established characteristics of an effective grievance-handling procedure (Adikaram and Rupasiri 2008). Thus, the above argument led for the development of second hypothesis.

(H2): There is an impact of timeliness of grievance handing on the job satisfaction of lower level managers in a selected private bank in Sri Lanka.
Polster (2011) observes that over the last fifty years, non-union employers have increasingly adopted formal grievance procedures to minimize liability and ensure employee productivity; such formal procedures allow employees to challenge a company decision or policy.

Lewin and Peterson (1988) found a positive relationship between the structure of a grievance procedure and grievance rates. Thus, the above argument led for the development of third hypothesis.

(H₃): There is an impact of structure of the grievance handling procedure on the job satisfaction of lower level managers in a selected private bank in Sri Lanka.

Literature on the outcome of a grievance handling procedure has been found to focus largely on justice. As another aspect of the outcome in such a procedure is the provision for appeal. Peterson and Lewin (2000: 402) observe that ‘a grievance system that is perceived by employees to be procedurally just or fair is likely to be used and to be regarded as effective.’ This suggests that when employees perceive the procedures attached to the system as fair and just, they are more likely to perceive the outcomes as fair, even when such outcomes are not in their favour (Nurse and Devonish 2007). Thus, the above argument led for the development of fourth hypothesis.

(H₄): There is an impact of the justice of the grievance handling on the job satisfaction of lower level managers in a selected private bank in Sri Lanka.

Allen and Keaveny (1985) found that in comparison to grievant, non-grievant held a significantly more favourable attitude about the competence of their supervisors. In their study on steward perceptions of supervision, Bemmels et al. (1991) and Bemmels (1994) found that higher perceived supervisor capabilities (e.g., better knowledge of the collective bargaining agreement) were linked to lower frequencies of employee complaints and lower grievance rates as well.

Constructive grievance handling largely depends on the ability of managers and supervisors to recognize, diagnose and correct the causes of potential employee dissatisfaction, before they become formal grievances (Chaykowski and Slotsve 1992; Tan 1994). Oxenbridge and Brown (2004) emphasized that one of the main benefits of strong workplace partnerships between unions and employers was the early and informal resolution of disputes. Antcliff and Saundry (2009) proposed that strong and effective trade unions and employee representatives could facilitate the day-to-day resolution of workplace disputes without the need for disciplinary action. Thus, the above argument led for the development of fifth hypothesis.

(H₅): There is an impact of participation on the job satisfaction of lower level managers in a selected private bank in Sri Lanka.

 Relevant schematic diagram is shown in Figure 1. Grievances handling procedure as independent variable. Job satisfaction of lower level managers is labeled as dependent variable.

![Figure 1: The Research Framework](image-url)
1.2.1 Study Design

The main objective of this study is to examine the impact of grievances handling procedure on job satisfaction of lower level managers in the selected private bank in Sri Lanka. Therefore, this study needs to establish the impact of the independent variable (grievances handling procedure) and dependent variable (job satisfaction). Therefore, the type of investigation of this study was experimental. This study is a field study because it examines the impact of grievances handling procedure on job satisfaction of lower level managers in the selected private bank. There are no controlled or manipulated variables. As the study was conducted in natural environment where events normally occur, that is non-contrived setting. This study took over one month for the collection of data. The data for the study is collected within a time period and there was no subsequent extension of the research contemplated. Hence, this study was cross-sectional in nature. The target population of this study is all the lower level managers in the selected bank, Colombo region because the highest number of employees are working at the Colombo region and there is an increasing turnover among lower level managers. Because of that high population, 105 lower level managers were drawn from the population of 140 lower level managers.

1.2.2 Measures

The variables in the research model: grievances handling procedure and job satisfaction of lower level managers were measured through questionnaire with five point Likert scales, which were completed by respondents themselves approximately as they have experienced. The independent variable of the research model was the grievance handling procedure, which was measured by an instrument consisting of 28 statements developed by Melchade (2013); Ndung (2011). Grievance handling procedure was measured in terms of four dimensions as discussed in conceptualization of the grievance handling procedure namely, Timeliness, Structure of the grievance handling procedure, Justice and Participation. The dependent variable of the research model was job satisfaction of the lower level managers in a selected private bank in Sri Lanka, which was measured by an instrument consisting of 20 statements developed by Jayarani (2012).

1.2.3 Reliability and Validity

The internal reliability of the instrument was estimated using Cronbach’s Alpha. The results of Cronbach’s Alpha test is given in Table 1, which implies that the instrument employed in this study was reliable.

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Timeliness</td>
<td>0.860</td>
</tr>
<tr>
<td>2. Structure of the grievances handling procedure</td>
<td>0.919</td>
</tr>
<tr>
<td>3. Justice</td>
<td>0.903</td>
</tr>
<tr>
<td>4. Participation</td>
<td>0.937</td>
</tr>
<tr>
<td>5. Grievances handling procedure</td>
<td>0.974</td>
</tr>
<tr>
<td>6. Job Satisfaction</td>
<td>0.979</td>
</tr>
</tbody>
</table>

The content validity of the instrument was ensured by the conceptualization and operationalization of the variables using the available literature, indirectly by the high internal consistency reliability of the instruments as denoted by Alpha.

While the construct validity of the variables of the study was ensured by the fact that the correlation and the regression analysis support the hypotheses formulated linking the relationship between the independent variable and the dependent variable. Data collected from primary source were analyzed using the computer based statistical data analysis package, SPSS (version 23.0) for validity, reliability and relationship testing. The data analysis included univariate and bivariate analyses.
II. RESULTS

To investigate the responses for grievances handling procedure which consists of four major dimensions and job satisfaction of lower level managers in the selected private bank, the univariate analysis was used. The results of the univariate analysis are given in Table 2. As indicated by the table 2, the mean value of timeliness is 3.6984. This value is more than 3 which depicts strong timeliness of grievances handling procedure in the selected private bank. The mean value of structure of the grievances handling procedure of lower level managers is 3.6580. This value is more than 3 which depicts strong structure of grievances handling procedure in the selected private bank. The mean value of justice ensured by grievances handling procedure in the selected private bank is 3.6259. This value is more than 3 which depicts strong justice in grievances handling procedure in the bank. The mean value of participation of managers and trade union in grievances handling procedure in the selected private bank is 3.6404. This value is more than 3 which depicts strong impact of participation of managers and trade union in grievances handling procedure in the bank. The mean value of the grievances handling procedure in the selected private bank is 3.6496. This value is more than 3 which depicts strong impact of grievances handling procedure in the bank.

<table>
<thead>
<tr>
<th></th>
<th>Timeliness</th>
<th>Structure</th>
<th>Justice</th>
<th>Participation</th>
<th>Grievances handling procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.6984</td>
<td>3.6580</td>
<td>3.6259</td>
<td>3.6404</td>
<td>3.6496</td>
</tr>
<tr>
<td>Std. Error of Mean</td>
<td>.07239</td>
<td>.05601</td>
<td>.06307</td>
<td>.05939</td>
<td>.05771</td>
</tr>
<tr>
<td>Median</td>
<td>3.6667</td>
<td>3.7273</td>
<td>3.7143</td>
<td>3.7813</td>
<td>3.7586</td>
</tr>
<tr>
<td>Mode</td>
<td>4.00</td>
<td>4.00</td>
<td>3.81</td>
<td>3.60</td>
<td>3.57</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.74180</td>
<td>.57393</td>
<td>.64632</td>
<td>.60859</td>
<td>.59138</td>
</tr>
<tr>
<td>Variance</td>
<td>.550</td>
<td>.329</td>
<td>.418</td>
<td>.370</td>
<td>.350</td>
</tr>
<tr>
<td>Skewness</td>
<td>-0.533</td>
<td>-1.136</td>
<td>0.809</td>
<td>-1.021</td>
<td>-1.084</td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>.236</td>
<td>.236</td>
<td>.236</td>
<td>.236</td>
<td>.236</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-2.14</td>
<td>.959</td>
<td>.110</td>
<td>.811</td>
<td>.739</td>
</tr>
<tr>
<td>Std. Error of Kurtosis</td>
<td>.467</td>
<td>.467</td>
<td>.467</td>
<td>.467</td>
<td>.467</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.00</td>
<td>2.00</td>
<td>1.95</td>
<td>1.83</td>
<td>2.04</td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td>4.55</td>
<td>4.67</td>
<td>4.68</td>
<td>4.55</td>
</tr>
</tbody>
</table>

According to the results of Pearson’s correlation shown in Table 3, the correlation between timeliness of grievance handling and job satisfaction of lower level managers is 0.793 and the relationship is significant at the 0.01 level. It shows that there is a positive significance between those two variables. Structure has positively correlated with a coefficient of 0.934 and the relationship is significant at the 0.01 level, supporting the positive relationship between structure of the grievances handling procedure and job satisfaction of lower level managers. Pearson correlation between justice and job satisfaction of lower level managers is 0.976 and the relationship is significant at the 0.01 level. Hence, there is a positive relationship between Justice and lower level manager’s job satisfaction. Correlation between participation and job satisfaction of lower level managers is 0.999 and the relationship is significant at the 0.01 level. Hence, there is a positive relationship between participation and Job satisfaction of lower level managers. Pearson correlation between grievances handling procedure and job satisfaction of lower level managers is 0.988. Thus, there is a positive relationship between the grievances handling procedure and job satisfaction of lower level managers and the relationship is significant at the 0.01 level. Accordingly, it is possible to conclude that hypothesized relationships (positive) between above mentioned variables were supported by the survey data.
### III. DISCUSSION AND CONCLUSION

A grievance-handling procedure is considered as one of the most significant practices of industrial relations as it is one of the major aspects of industrial harmony and has been recognized by policy makers at the national and organizational levels. A grievance-handling procedure opens an avenue to an employee to file his/her dissatisfactions (Meija 1991). Any dissatisfaction with the process of handling grievances would actually lead to outcomes like low satisfaction or low commitment of employees to unions and employers (Eaton et al. 1992). This would consequently have a negative impact on workplace relationships (Gordon and Bowlby 1988).

It was found that there is a positive impact of grievances handling procedure on the job satisfaction of lower level manager’s in the selected private bank in Sri Lanka. The correlation between these variables was 0.988, which is significant at 0.000 level. This correlation was found to be strong as it is more than lower bound of strong correlation (0.5). Discussing the grievances handling procedure of the bank, it was found that they have favorable grievances handling procedure with the mean value of 3.6496 and standard deviation of 0.59138. Accordingly, it was found that the existing grievances handling procedure has an impact towards determining job satisfaction of lower level managers in the selected private bank.

An indicated by the empirical data, job satisfaction of lower level managers in the bank depends on grievances handling procedure in the company. According to the behavior of the dependent and independent variables, the timeliness, structure, justice and participation enhance the job satisfaction of the lower level managers.

To conclude, it may be said that though this research is based on the study of a particular employee category, the findings may be followed to improve the effectiveness of the procedure across organizations.

When do future researches relate this study follow many implication. In this paragraph consists of several implications of future researchers. This research focused only to identify the impact of grievances handling procedure on job satisfaction of lower level managers in the selected private bank in Sri Lanka. However, the study could be extended to a number of organizations operating in different industries to provide a comparative picture of job satisfaction of various categories of employees with the grievance-handling procedures of their respective organizations. Thus, future research can be selected another field in business world such as banking sector, education institute, hospital, schools etc. and also public sector organizations. The data collected from different industries may change the relative significance of the independent variables. Furthermore, future research can be done qualitatively to identify the impact of grievances handling procedure on job satisfaction of lower level managers in the selected private bank in Sri Lanka. This study has limited to the sample of lower level managers in the selected private bank in Sri Lanka. Further research studies are suggested to carry out to find out the impact of the grievances handling procedure on job satisfaction for different employee categories and under more dimensions of grievances handling procedure which affect to the job satisfaction.

### Table 3: The impact of grievances handling procedure and its dimensions on job satisfaction of lower level managers

<table>
<thead>
<tr>
<th></th>
<th>Timeliness</th>
<th>Structure</th>
<th>Justice</th>
<th>Participation</th>
<th>Grievances handling procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlation</td>
<td>.793**</td>
<td>.934**</td>
<td>.976**</td>
<td>.999**</td>
<td>.988**</td>
</tr>
<tr>
<td>Sig. (1-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (1-tailed)**
REFERENCES


