

A STUDY ON GRIEVANCE REDRESSAL INSTRUMENT AND ITS VIABILITY IN INDIAN BANKS

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ABSTRACT

Consumer loyalty is a much looked for after marvel in today's profoundly focused and globalized commercial center. Greatness in client administration is the most critical instrument for managed business development. Client grievances are a piece of the business life of any corporate element. This is all the more so for banks in light of the fact that they are administration associations. Indeed the administration business is intended to convey what its clients decisively need. Banking industry in India was considered as routine segment 10 years back yet the sharp endeavors of RBI in the later past has changed and changed the substance of Indian managing an account industry. It has likewise realized the difficulties which the business has not confronted until then and making an unrivaled consumer loyalty and experience is one of them. The focused differentiator of banks relies on upon the capacity to give a superior affair to the clients other than offering a wide mixture of items.

Every one of us manages banks and eventually of time faces issues in managing the banks in one structure or the other. The way in which banks speak and manage client grumblings is an essential variable in choosing the nature of client administration. Having an all around outlined redressal instrument for addressal of all the client grievances is of prime significance. The destinations of the paper are to get an understanding into the grievance redressal instrument followed in banks, mindfulness about it among overall population and its adequacy. Information has been gathered with the assistance of an organized poll by 200 bank client's. With the guide of Statistical Package for Social Sciences (SPSS), both graphic insights including frequencies, rates, mean, and standard deviations and additionally inferential tests, for example, Pearson chi-square and anova were connected. Results demonstrated a low level of mindfulness about grievance redressal methodology and showed that private part banks have a more viable grievance redressal system when contrasted with open area banks. The study has suggestions for the bank clients to teach himself seeing grumbling determination handle the and in addition the banks in suitably planning a viable model of grievance redressal.

KEYWORDS: Consumer Loyalty, Client Objection, Redressal Component, Grievance

INTRODUCTION

Consumer loyalty is a much looked for after marvel in today's exceedingly aggressive and globalized commercial center. Today's customers look for more than value deals and need helpful buying data, amazing, solid and safe items, trustworthy overhauling, and reasonable deals rehearses. An organization's inability to satisfy these desires can breed disappointment and hatred.

Client administration has awesome criticalness in the saving money industry. The keeping money framework is an essential piece of the monetary segment of the economy. The money related segment assumes a noteworthy part in the preparation and allotment of reserve funds. Managing an account being a noteworthy subset of the money related part is in light of the intermediation process – exchange of monetary assets from net savers to net borrowers. Managing an account framework is store of client certainty. Subsequently, a subjective client administration is a pre-imperative for building up a lively keeping money framework. Managing an account industry is one of the world's greatest and most established commercial ventures on the planet and all the more so the motor of the economy. Its security and development is in this way foremost to monetary execution of individual nations including India. The managing an account framework in India today has maybe the biggest effort for conveyance of budgetary administrations and is additionally serving as an essential conductor for conveyance of money related administrations. While the scope has been growing step by step, the quality and substance of scattering of client administration has gone under huge weight primarily inferable from the inability to handle the taking off requests and desires of the clients. The limitless system of branches spread over the whole nation with a large number of clients, a mind boggling mixed bag of items and administrations offered, the changed institutional structure – all these add to the immensity and many-sided quality of keeping money operations in India offering ascent to protests for insufficiencies in administrations.

With expanding rivalry banks have needed to refocus on different techniques went for keeping up a steady and gainful client base. In the present Indian Banking Scenario, two noticeable marvels are the point of convergence to rising practices and approaches. These are "Innovation" and 'Relationship Marketing'. The force of innovation has officially altered keeping money administrations and practices.' and Relationship Marketing' is seen as the main separating element. Maintaining a steadfast client base has seen banks put resources into different promoting techniques among them shopper objection administration systems and grievance redressal methods have been generally essential. Client administration is the most exhausted expression at banks and the confirmation lies in the late report discharged by the national bank which reveals the insufficiencies.

LITERATURE REVIEW

The quantity of studies has been directed with respect to the administrations to clients however there are set number of studies to the extent bank clients are connected

The paper by R. K. Uppal named Customer objections in banks: Nature, degree and methods to relief dissects the degree of protestations in three sorts of bank gatherings, to be specific: public sector banks, Indian private segment banks and outside banks. The quantities of objections are maximal openly division banks and the most extreme protests are identified with store, Master cards and lodging credits. Nonetheless, the paper means to illuminate these dissensions with diverse routines upwards of 93 out of each 100 grumblings stopped by bank clients are against private banks and outside managing an account bunches. That is the thing that the Reserve Bank of India (RBI) has uncovered in its yearly report of the keeping money ombudsman plan. Together, private banks and remote banks represent under 30% of the aggregate managing an account business in the nation. RBI information demonstrates that 63% of the aggregate client protestations in 2007-08 were against new era private banks

A Study by Wissem Hakiri named For an Efficient Complaints Management System for Banks: A Conceptual Framework and an exploratory study audit an idea which is still moderately less considered by retail banks: managing dissensions. It highlights the significance of managing complaints by banks in a CRM approach. At that point, examining

the substance of genuine protestations in 4 different banks permitted us to shape a database. This database permits scientists and bankers alike a superior perspective of saving money grievances and will give us the chance to propose solid proposals on the best way to enhance protestations administration.

By comprehension the grumbling procedure and the client protest conduct, the administration organization can figure out how to diminish the effect of an unfavorable administration experience or complaint. (In Effects of distributive equity dissensions determination methodologies on consumer loyalty in Kenya's keeping money industry Chepkwony Joel, Korir Michael, and Lagat Charles Jan 2013)

Miserable clients frequently voice their disappointment as negative informal exchange to other present and potential clients (Ah-Keng and Wan- YiunLoh 2006; Richins 1983a; Singh 1988; Voorhees et al., 2006). Then again, if the grievance is legitimately taken care of the client may take part in positive verbal (Helm 2003; Shields 2006). The significance of grievances brought by clients up in enhancing administration conveyance ought not to be overlooked. Customer grumbings may be valuable from various perspectives: giving promoting insight information (Harrison-Walker 2001), distinguishing normal administration issues (Harari 1992); Johnston and Mehra 2002; Rickhins and Verhage 1985; Tax and Brown 1998), finding out about association (Hoch and Deighton 1989; Johnston and Mehra 2002; Tax and Brown 1998), enhancing administration outline and conveyance (East 2000; Marquis and Filiatrault 2002; Tax and Brown 1998), measuring and improving the view of administration quality (Edvardsson 1992; Harrison-Walker 2001; Marquis and Filiatrault 2002), and helping key arranging (Dröge and Halstead 1991; Johnston and Mehra.

PRIMARY OBJECTIVES

- To find out Effectiveness of grievance redressal mechanism with reference to
- To compare the grievance redressal mechanism in private and public sector banks

Registering of the complaint, Acknowledging the complaint, Communication or updation (on the complaints registered), Courtesy (attitude of the bank staff dealing with the complaints), Speed (time taken in registering and resolving the complaints, Transparency (of the redressal procedure), Satisfaction level of complaint Resolution, Follow up and feedback

SECONDARY OBJECTIVES

- To study and understand the model of grievance redressal in Indian banks.

RESEARCH METHODOLOGY

Primary Data has been collected through a structured questionnaire suitably divided to check the awareness level about grievance redressal, preferred mode used for grievance redressal and effectiveness of grievance redressal procedure. Sample size includes 200 bank customers from Mumbai. With the aid of Statistical Package for Social Sciences (SPSS), both descriptive statistics including frequencies, percentages, mean, and standard deviation as well as inferential tests such as Pearson chi-square and anova were performed to check the impact of demographics on awareness level and the preferred mode of redressal. Effectiveness of the redressal procedure has been checked on a five point scale with respect to various parameters mentioned in objectives.

Secondary data has been collected through websites of different private and public banks and RBI bulletins besides related articles on internet, books, magazines and newspaper.

Effectiveness of Grievance Redressal Mechanism in Private and Public Sector Banks

Data Analysis of Various Parameters of Effectiveness Showed the Following Results with Respect to Public and Private Banks

Table 1

You Primarily Deal with		Registering of a Complaint	Acknowledging the Complaint	Communication or updation (on the Complaints registered)	Courtesy (Attitude of the Bank Staff Dealing with the Complaints)	SPEED (Time Taken in Registering and Resolving the Complaints)	Transparency (of the Redressal Procedure)	Satisfaction Level of Complaint Resolution
Public sector bank	Mean	2.97	2.48	2.12	1.95	1.91	1.58	2.13
	N	101	101	101	101	101	101	101
	Std. Deviation	.854	.807	1.013	.698	.665	.828	.966
private sector bank	Mean	3.28	3.10	2.56	2.68	2.53	2.28	2.59
	N	99	99	99	99	99	99	99
	Std. Deviation	1.088	1.305	1.071	1.260	1.288	1.125	1.221

From the above we can observe that private sector banks have an effective system of grievance redressal with reference to the above mentioned parameters. We have further analysed the data to measure if the difference is significant between the two set of banks across different parameters.

Table 2

	Sig.	Result and Interpretation
registering of a complaint	.025	significant difference
Acknowledging the complaint	.000	significant difference
Communication or updation (on the complaints registered)	.003	significant difference
Courtesy (attitude of the bank staff dealing with the complaints)	.000	significant difference
Speed (time taken in registering and resolving the complaints)	.000	significant difference
Transparency (of the redressal procedure procedure)	.000	significant difference
Satisfaction level of complaint Resolution	.004	significant difference

CONCLUSIONS

Managing a complaint is not simple. Indeed, More than half the sample size is not satisfied with their bank in one

or more ways and this suggests that banks should have a more effective procedure of managing complaints. Besides they should also work towards educating the customer to address their grievance in a proper way. Customers' expectation and complaints can be better understood by personal interaction. Planned customer meetings at fixed interval will give a message to the customers that the bank values its customer. Many of the complaints arise on account of lack of awareness among customers about bank services and such interaction will help the customers to understand the banking services better. The bank in turn can get the benefit of valuable suggestion from customers which can be utilized for revising its product and services. Staff should be properly trained on handling complaints. Since we are dealing with people, difference of opinion may arise. A complaint management program will not function unless everyone understands her or his role and is held accountable. The program must define who responds to a complaint, when a complaint should be escalated, who it is escalated to, and what steps should be taken when it is received. A bank should have a standard response time for resolving the complaints and should always take feedback on whether the customer is satisfied with the solution provided to them. Banks should engage in research in identifying their problem areas and understanding customer expectations. Complaints management in an organization should integrate itself with the mission of the bank and aim at continually improving quality of products and services offered to customers.

LIMITATIONS

This study assumes that all information gathered for this research project is accurate. The study also assumes that participants will be truthful and honest in their responses but understands that there is an emotional issue often associated with money discussions that sometimes causes participants to be guarded in their responses. Another limitation of this study is the narrow geographical sample of participants filling out the survey

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