An Analytic Study of Employees Perception towards Grievance Redressed System adopted by Banks

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Abstract
The banking sector is the inventive and vibrant sector for the economic growth of India. Banks can increase their profit through retaining of customers because banking sector is the main support of the economy for growth. The main objective of the paper is to know about the customer relationship management practices in Indian banking sector. For this analysis it will focus on employee's perspective of facing the CRM policies in the banking sector. The aim of this paper is to analyze the design and implementation of grievances redressed system adopted by banks also identifies the benefits and challenges in implementation. For this purpose secondary data of 200 employees was collected through pre structured questionnaire. A factor analysis method is to be used for obtaining the result and also descriptive analysis method followed in effective way.
Keywords: Customer Relationship Management; Banking Sector; Employees, Grievance redressal system, Haryana.

1.   Introduction of CRM

The term Customer Relationship Management was first used in the early eighties by academician's at different business schools. It constitutes the systems and facilities that required capturing, analyzing and sharing all facets of the customer's relationship with the enterprise. CRM is a process to evaluate and distribute organizational resources to those activities which have the furthermost return and force on profitable customer relationships (Mohammed, 2013). In CRM, marketing efficiency is achieved because cooperative and collaborative process that helps in reducing transaction costs and overall development costs for the company. This is because superior mutual value creation he company and therefore the customer (Parvatiyar, 2000). A CRM value chain that identifies a sequence of 'primary and supportive stages' like customer portfolio analysis; customer relationship; network development; value proposition development; and manage the connection. Marketing productivity is achieved through increasing marketing efficiency and by enhancing marketing effectiveness (Sheth and Sisodia, 1995).

2.   CRM and Banking Sector

Banks plays major role in economic development. The roles of banks are necessary in overall GDP. CRM is used in banking sector to know about customers needs and providing best services to satisfy them. Customer retention is a term which measures the profitability of the banks and also helpful in determining the products and services offered by banks. In a market where organizations compete for customers, it is seen as important aspects (Beard, 2014). Customer retention is the free advertisement tool for every organization. It is a strategy that will be helpful in building strong relationships with the customers and can enhance their profit through this. The banking sector has shown remarkable responsiveness to the needs of the planned economy. It has brought about a considerable progress in its efforts at deposit mobilization and has taken a number of measures in the recent past to accelerate the rate of growth of deposits. To achieve this end, commercial banks opened a number of branches in urban and rural areas. In this changing scenario, the role of banks is very important for the growth and development of customers as well as economy. Banking sector is offering traditional and other services. The services offered are regular saving and current a/c, regular FD, ATM, credit cards and D-mat a/c,

student banking and kid e-bank, special NRI services, home loan, vehicle loan and home-appliances loan, tele-banking, internet banking, power pay roll a/c, online trading, business multiplier a/c, loans against shares, insurance, portfolio investment scheme, relief bonds and mutual funds, senior citizen – special deposit scheme and munshi scheme, etc.

3. Review of Literature

Sharma & Julka & Bhardwaj (2012) explored the role of CRM in enhancing organizational growth in regard to the banking system (HDFC bank) by analysis method. Hence, CRM is the tool which helps the organization to create long- lasting brand image in customer's mind. This paper analyzed the particular impact of CRM in enhancing the organizational performance. This study was undertaken through the utilization of analysis method of banking sector specifically taking HDFC bank because of the universe of study. Descriptive approaches had been followed during this paper for analysis. Some key parameters affecting the organizational growth of the HDFC bank were going to be identified and studied in reference to CRM. This paper concluded with the suggestions to adopt specific measures to reinforce the impact of CRM in organizational growth of Banks.

Putney and Puney (2013) described the role of customer relationship management (CRM) in the Indian banking sector. To survive in the competitive world, the Indian banking sector is becoming aware of the importance of customer relationship and adopts CRM, that is, the management of the customer relationship. Thus, every interaction with the customer can give the opportunity to build a relationship for life. In this article, we discussed the role of CRM in the Indian banking sector.

Rajeswor Neupa, (2015) studied the opinions of the respondents regarding relationship marketing practices on customer loyalty in Nepali commercial banks by semi-structured questionnaires. The study has focused on effect of relationship marketing practices variables within the customer loyalty of Nepali commercial banks. The study has used various factors like: trust, communication, conflict handling, and commitment towards customer loyalty. This study has found that the connection marketing dimensions are liable for creating customer loyalty. It had also drawn the conclusion that customers tend to believe on the immediate response and therefore the act of describing offers and properly to the purchasers is significant in sustaining customer loyalty.

Abdullah and Siddique (2017) extracted the model relationship between the dimensions of customer relationship management practices. The researcher used an exploratory factor analysis (EFA). In addition, factor scores were used to segment respondents using cluster analysis. As part of this study, the researcher also used a configuration factor analysis technique to validate the scale of customer relationship management practices followed by Virudhu nagar district banks. At the conclusion of the RTD, the researcher used the 192 selected respondents. A set of 42 scale elements that measure respondents' views on customer relationship management methods. Based on the results of the K-Means classification, the researcher classified respondents into three segments: informative and value-based customers, receiving customers, and winning customers.

Khan and Sharma (2018) identified the factors of customer relationship management are numerous. Three aspects of customer relationship management - technology adoption, trust and complaint handling - were fully focused on customer retention in this study. The study was conducted on private and public banks in Bangladesh with a count of 210 respondents. The mutual dependency of dimensions as well as their cumulative effect on customer loyalty was demonstrated. The analysis used SPSS 16.0 for descriptive analysis and AMOS 16.0 to measure the impact of exogenous variables such as trust, claims handling and technology takeover, as well as endogenous customer loyalty. The study highlighted the significant relationship between the three independent variables and the dependent variable customer loyalty. The inclusion of research contributes to the existing CRM theory by making its special contribution to customer loyalty. In addition, practitioners can apply the implications of the study to improve their management strategies and maintain a more loyal customer base.

4. Objective of Study

The objective of the study is to analyze the employee's perception about Grievance management systems adopted by Bank to retain their customers in effective way.

5. Hypothesis

Ho1: There is no significant difference between the employees perception in retaining the customers.

6. Analysis and Interpretation

In this section analyze the data of employees regarding their satisfaction level of grievance redressal systems as discussed below.

Rate the given variables at the five point scale to the order of implementation of CRM in Banks (Mention status on the given statements marking 1-Strongly Agree, 2-Agree, 3-Neutral, 4- Disagree, 5- Strongly Disagree

Sr. No.	Variables	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	SD	Rank
4	Effective Grievance Redressed System								
4.1	Complain of employees are redressed properly.	55 (27.5%)	48 (24%)	35 (17.5%)	39 (19.5%)	23 (11.5%)	2.64	1.368	6
4.2	Customer's complaints are easily and Immediately handled.	58 (29.5%)	49 (24%)	32 (16%)	30 (15%)	31 (15.5%)	2.64	.432	6
4.3	Bank operator gives follow up to customer requests well in time.	55 (27.5%)	50 (25%)	36 (18%)	31 (15.5%)	28 (14%)	2.64	1.39	6
4.4	We have formal complaint Redressed system which cover both written and verbal complaints and inform customers about the progress of the complaints.	48 (24%)	50 (25%)	41 (20.5%)	35 (17.5%)	26 (13%)	2.71	1.352	4
4.5	Bank employees serve customer's best interest at heart.	40 (20%)	50 (25%)	36 (18%)	39 (19.5%)	35 (17.5%)	2.90	1.394	2
4.6	The bank provides hassle free and error free processing of all transactions to the utmost satisfaction of customers.	61 (30.5%)	48 (24%)	36 (18%)	32 (16%)	23 (11.5%)	2.70	1.370	7
4.7	Complaint management procedure helps to build long-term relations with the customers.	42 (21%)	51 (25.5%)	40 (20%)	38 (19%)	29 (14.5%)	2.81	1.353	3
4.8	Bank planning to establish customer redresser cell.	42 (21%)	47 (23.5%)	36 (18%)	27 (13.5%)	48 (24%)	2.96	1.476	1
4.9	Bank/Branch holds Monthly meeting with its customers.	56 (28%)	50 (25%)	31 (15.5%)	32 (16%)	31 (15.5%)	2.66	1.433	5

| 4.10 | Customer feedback procedure helps to maintain long-term relations with the customers. | 55 (27.5%) | 47 (23.5%) | 39 (19.5%) | 34 (17%) | 25 (12.5%) | 2.64 | 1.372 | 6 |

Source: Primary Survey Data

As explained by the table, the respondents have "**Bank planning to establish customer redresser cell**" given the first rank having the highest mean scores of 2.96 with the strongly agreeing percentage of 21 and strongly disagreeing percentage of 24, is followed by "**Bank employees serve customer's best interest at heart**" given the second rank having mean score of 2.90 with the strongly agreeing percentage of 20 an strongly disagreeing percentage of 17.5, is followed by "**Complaint management procedure helps to build long-term relations with the customers**" given third rank having mean score of 2.81 with the strongly agreeing percentage of 21 and strongly disagreeing percentage of 14.5, is followed by "**We have formal complaint Redressed system which cover both written and verbal complaints and inform customers about the progress of the complaints**" given forth rank having mean score of 2.71 with strongly agreeing percentage of 24 and strongly disagreeing percentage of 13, is followed by "**Bank/Branch holds Monthly meeting with its customer**" given fifth rank having mean score of 2.66 with strongly agreeing percentage of 28 and strongly disagreeing percentage of 15.5, is followed by "**Complaints of employees are redressed properly, Customer's complaints are easily and immediately handled, Bank operator gives follow up to customer requests well in time and Customer feedback procedure helps to maintain long-term relations with the customers**" given sixth rank having the mean score of 2.64 with the strongly agreeing percentage of 27.5, 29.5, 27.5, 27.5 and strongly disagreeing percentage of 11.5, 15.5, 14, 12.5, is followed by **"The bank provides hassle free and error free processing of all transactions to the utmost satisfaction of customers"** given seventh rank having the mean score of 2.54 with the strongly agreeing percentage of 30.5 and strongly disagreeing percentage of 11.5.

TABLE 2: Reliability Analysis by KMO and Bartlett's Test

Test Statistics		Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.933
Bartlett's Test of Sphericity	Approx. Chi-Square	1336.58
degrees of freedom	Df	45
p value	Sig.	0.000

Source: Primary Survey Data

With the intention to test the suitability of factor analysis technique, Kaiser-Meyer-Olkin (KMO) which is used to measure the sample adequacy which is revealed in Table 2. The Bartlett's test of sphericity is based on a Chi-square transformation of the determinants of the correlation matrix. The null hypothesis may be rejected if the value of a test statistic is on the higher side. To add to it, KMO assess the extent of the observed correlation coefficients with the magnitude of partial correlation coefficients. The lower statistic of KMO value points towards the correlation among the 10 statements which cannot be measured and because of it factor analysis is also not appropriate to apply. It is pertinent to mention here that in case to apply factor analysis the desired value of KMO and Bartlett's test should be more than 0.5.The above Table 2 represents the rejection of null hypothesis

specifically, the population correlation matrix is an identity matrix, and is rejected by Bartlett's Test of Sphericity. Computed value of Chi-square is 1336.65 with 45 degree of freedom, at 5 percent level of significance. The above table also indicates the value of KMO is 0.933 which is greater than 0.5. Therefore, it is suitable to use factor analysis to measure the correlation matrix.

Table 3: Latent factor determination for Effective Grievance Redressed System provided by Bank and showing its total variance

The method used for performing factor analysis was Principal Component Anaylsis and Varimax Rotation Extracted method, in this method total variance of the data was considered.

Total Variance Explained						
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.192	61.921	61.921	6.192	61.921	61.921
2	.931	9.311	71.232			
3	.572	5.719	76.951			
4	.507	5.073	82.024			
5	.374	3.741	85.764			
6	.364	3.643	89.407			
7	.322	3.224	92.631			
8	.297	2.966	95.597			
9	.239	2.387	97.984			
10	.202	2.016	100.000			
Extraction Method: Principal Component Analysis.						

Source: Primary Survey Dat

Total Variance Explained
The above table has been divided into four major sub-sections, i.e. Factors, Initial Eigen Values, Extracted Sums of Squared Loadings, and Rotation Sums of Squared Loadings. The first panel gives values based on initial values. For the initial solution, there are as many factors as there are variables. The "Total" column gives the amount of variance in the observed variables accounted for by each factor. The "percentage of Variance" column gives the percent of variance accounted for by each specific factor, relative to the total variance in all the variables. The "Cumulative percent" column gives the percent of variance accounted for by all factors up to and including the current one. For instance the Cumulative percent for the second factor is the sum of the percent of Variance for the first and second factors. In the above table, there are a few factors that explain a lot of the variance which is a sign of good factor analysis and the rest of the factors explain relatively small amounts of variance. Factors are the number of variables used in the factor analysis. In this study only the one factor will be retained due to Eigen values greater than 1. All the other factors will not be retained. For analysis and interpretation purpose we are concerned with Extraction Sums of Squared Loadings. It gives information regarding the extracted factors or components. This table shows that the factor accounts for 61.921. The Extraction Sum of Squared Loadings columns shows the numbers of rows in this table correspond to the number of factors retained. In the "Rotation Sums of Squared Loadings" group, the variance accounted for by rotating factors or components may be different from those reported for the extraction, but the

Cumulative percent of the set of factors or components will always be the same. Together they are capable of explaining roughly 61.921 percent of all the variable variances. In this study only one row corresponded to one factor is retained. All the remaining factors are not significant.

7. Findings and Suggestions

Grievance management redressal system is a powerful tool. However, all the banks need to establish the proper grievance redressal cell for customers. Basically it is an important business policy. It is very useful for clients, stake holders and employees. Banks must to recognize the problems of their customers and then to make their policies and provide training to employees for solve that problems. From the above analysis it shows from the ten statements we interpret that only one factor have the factor loading value which indicate that banks have proper grievance management system but it needs to be improve in effective and efficient way. So the null hypothesis will be rejecting for this. Practical results are also mandatory but it must be customer centric. For the successful customer relationship management in the banks there are some aspects for it like Banks must support different culture and tricks of their employees for mutual trust. Banks also need to appoint trained and experienced staff so that they can help the customers to solve their problems. Banks must organize the education policy to increase the satisfaction level of the customers. When perception of employees for the banking services were analyzed it was found that data have reliable result which assessed by KMO Bartlett test.

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