

**PERCEIVED EFFECTIVENESS OF EMPLOYEE GRIEVANCE HANDLING
PRACTICES IN THE BANKING SECTOR IN KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE DEGREE OF MASTERS OF BUSINESS
ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

NOVEMBER 2016

DECLARATION

This research project is my original work and has not been presented for a degree in any other institution.

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ABSTRACT

In a work place; complaints, concerns and issues arise from time to time and it is important that organizations have in a place an effective grievance handling mechanism to help address such issues as may be raised by the employees. This paper examined the perceived effectiveness of grievance handling practices in the banking sector in Kenya where 270 questionnaires were administered to employees in 9 commercial banks (3 banks per tier) to generate the primary data. The employees were expected to indicate the degree to which they felt that the grievance practices were effective. Descriptive analysis technique using frequency tables, percentages, means and standard deviation were used to analyze the data.

While it was noted amongst others that union representation is adequate and very effective, it is important that a research should be carried out to find out and address reasons why Kenyan banking sector employees feel that some aspects of grievance handling practices are not effective in addressing grievances.

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ABBREVIATIONS

ARD	-	Alternative Dispute Resolution
BIFU	-	Banking Insurance and Finance Union
CAO	-	The Office of the Compliance Advisor/Ombudsman
CBA	-	Collective Bargaining Agreement
CBK	-	Central Bank of Kenya
GCC	-	Grievances and Complaints Committee
HRM	-	Human Resource Management
ILO	-	International Labour Relations
KBA	-	Kenya Bankers Association
KCPD	-	Kenya Coastal Development Project
KICC	-	Kenyatta International Conference Centre
KNBS	-	Kenya National Bureau of Statistics
PSC	-	Public Service Commission
TUR	-	Trade Union Representative

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The prevailing diversity at many workplaces around the world in terms of age, gender, nationality, ethnic and religious background among employees requires an organized way of managing or solving employees' concerns (Nurse and Devonish, 2007). This is particularly because when there is discontent on the part of the staff, communication becomes poor and misunderstanding is more likely to arise, which is likely to result into loss of morale and productivity of staff, and in the end, that of the organization as a whole (Njuguna, 2010; Adikaram and Rupasiri, 2008; and Nurse and Devonish, 2007).

Gomathi (2014) observed that issues and complaints arise in a workplace even where there is a very strong and highly effective management and proficient workforce thus affecting employment relationship. This makes it necessary for a grievance procedure to be in place to address grievances. The process of handling grievances has been progressively considered both as an institutional instrument and a procedure of handling workplace misunderstandings that arise from the employment contract entered into by the employer and the employee and its application has been integrated in union and management relations (Nurse and Devonish, 2007). Issues, conflicts, complaints and misunderstandings at workplace if not handled properly can affect employees' participation and moral thus affecting productivity in an organization (McGrane et al., 2005). The employer therefore has a duty to curb possible negative publicity which can impact on the organization's image besides dealing with productivity matters by adopting fair and just employment practices which include having an effective employee grievance handling practices (Karambayya and Brett, 1989; Rollinson et al., 1996).

There are internal and external factors influencing work performance of the organization (Mubezi, 2013). These include business competition, availability of raw material and etc. These factors can be solved and handled by using knowledge, skill and common sense of the employees. Grievance deal directly with employee's issues and all concerns they have in their working environment (Melchades, 2013). Therefore effectively solving grievances is a critical part for fostering productive employee relations and managing the work place productively

(Mupukwa, 2009). Grievances are natural in any organization and grievance handling procedure is important in employment relationship. Prasadini et al. (2008) asserts that grievances must be addressed at the earliest opportunity possible or else they can be a cause of profound consequences in an institution.

This study will be informed by Contingency theory and Procedural justice theory. Contingency theory will be used in the study because it examines the relationship existing between organizational frameworks and the operating conditions using the method of empirical comparative analysis while Procedural justice theory will be used because it focuses on individuals subjective perceptions of the fairness of procedures whether they are biased or unbiased, humane or inhumane, and otherwise reconcile with people's perceptions of just processes for social interrelation and adjudication.

The cynosure of the study will be on banks and specifically on unionised employees who are assumed to direct their grievances through their union representatives. Most studies have focused generally on grievance handling practices in other sectors and very few in the banking sector, and specifically none in the Kenyan banking sector hence the focus of this study on the banking sector. The banking sector largely contributes to the Kenyan economy and employs a huge number of employees hence the need to gauge the employees' perception of justice related to grievance handling practices.

1.1.1 Concept of Perception

Crane (2008) defines perception as interpretation of the situation by a person. It is the manner of delineating the information of our sensibilities to provide structure and understanding to our surrounding. An individual's sense act a crucial part in gauging what someone thinks and how he or she behaves, perceives the environment and respond to it. How one analyzes what he or she discerns will be largely determined by many factors that are not limited to his or her past experiences, thoughts, values, feelings, recollections, beliefs and mindsets (Griffith, 2010). The construction and extent of these impacts will vary from one individual to another, thus, the same issue or occurrence can be considered from various angles by different persons and this contributes as to why perception is not corporeality. Among the most crucial perceptions that

affect institutional practices are the views that people in an institution have of each other (Zeffane, 1994). Perception is one of the most paramount cognitive factors of human demeanor that allows individuals to decipher their surrounding and because there are no particular methods for comprehending another person's perception, everyone exercises his or her own imagination, ingenious prowess, consciousness, and meditative skills to handle perception (Rao and Narayan 1998).

Martin (2003) argues that perception is important in making choices and acting thereon. At the fundamental level, the choice of whether to do something or to refrain relies on the motivating factors. Every action is not without a fall back plan even though it often appears there was no backup. Crane (2008) further notes that employee's perceptions and attributions inform their behavior in the work place. Perception details the manner in which people sieve, order and interpret sensual information. Attribution describes individuals' behaviors, reactions to other people's behaviors (Martin, 2003). Accurate perception enables employees to give an explanation what they observe and hear in their workplaces allowing them to choose, finish up their duties while acting in a humane manner. Inaccurate perceptions will result to conflicts as a result of making assumptions of a situation which may not be the true reflection of what is happening in the workplace (Rao and Narayan 1998).

1.1.2 Employee Grievance

A grievance is the definite articulation of frustration or unfairness that a worker harbours towards his or her employer in a work place (Prasadini et al., 2008). It is any job related discontent that is formally filed by an employee or informally to his or her line manager. It is actual or imagined awareness of displeasure and unfairness which workers hold over their relations with their employers. It is a complaint that something within the organization or with the management has infringed on the employees' employment rights and that employees are not happy about it (Zulkiflee et al., 2011). According to Dwivedi (2009), a grievance can be any disgruntlement, whether valid or not, precise or imprecise, and stemming out of any issue linked to the organization that an employee considers unjust.

Employee grievance may mean that a manager's behaviour was inappropriate or the manager failed to abide by the staff's right. Mubezi (2013) notes that in a specific group of employees, many grievances are in response to specific behaviours shown by their seniors. In addition, Katz et al (1993) argued that how employee grievances are identified and addressed determined their productivity levels, attrition levels and behaviours exhibited in the organization. Many times there are perceived injustices and conflicts in an organization hence the presence of a well-coordinated grievance handling structure may assist improve such circumstances (Venkata, Ratnam, & Srivastava, 2008). Both the procedure of dealing with grievances and the aftereffect of the process might affect employee perceptions on how well the organization practices handling of grievances (Morrison and Robinson, 1997). If grievances are conclusively solved, then workers are motivated to relate well with each other and hold high organization in general (Walter, 1980).

1.1.3 Grievance Handling Practices

Saundry, Antcliff and Jones (2008) in their study on accompaniments and representation in workplace discipline and grievance assert that grievances can be handled in two ways, either formally or informally. The role players in the grievance handling process are the designated employees (whose purpose it is to promote the prompt, independent and reasonable handling of grievances), immediate manager or supervisor, union representative, labour relations where required, Head of department and HR representative Mubezi, 2013). The Labour Relations person and/or HR Representative is responsible for the coordination of the grievance hearing process (Public Service Commission South Africa, 2011).

Grievance handling procedure is important in any organization. For employees, grievance procedure provides an opportunity for them to voice their concerns (Freeman and Medoff, 1984), to management so that the concerns raised can be addressed and to create a habitable work environment. Management equally benefits from conclusive grievance practices because it institutes a replacement to job action, hence creating circumstances under which the activities of the organization are well addressed to improve employees' satisfaction (Adikaram and Rupasiri, 2008). Gordon and Fryxell (1993) observe that during the period of Collective Bargaining

Agreement (CBA), effective grievances practices can reduce or eliminate issues affecting work. Adikaram and Rupasiri (2008) note that an effective grievance handling practice permits resolution of interpretive disagreements and also lead to strengthening of the relationship of the parties involved. Grievance management is part of the process of contract administration extending the CBA process by providing dynamic meaning to contractual terms and operational emphasis to what is documented (Davey et al., 1982). In addition, effective grievance practices plays a critical part in assisting the parties to the CBA as they search for clarity where the CBA's are silent concerning some issues which may not have been documented at the time a grievance is raised (Nurse and Devonish, 2007).

In the staff guide for CAFOD complains handling mechanism (2010), the practices for grievances can also be majorly categorized into formal and informal ways of handling grievances. This supports the paradigm that beneficiaries have the right to say and agencies have the duty to respond and that all raised concerns should be addressed. However, these practices differ with differing level of information possessed by employees and the accessibility of information. According to Kenya Coastal Development Project (KCDP) working team (2013), the practice of handling grievances involve the aggrieved lodging a complaint to be addressed to the Grievances and Complaints Committee (GCC) of the KCDP.

Compliance Advisor Ombudsman (CAO, 2008) in the "Guide to Designing and Implementing Grievance Mechanisms for Development Projects" identified different grievance practices that most companies use to address conflicts. Every case is dealt with as an individual occurrence, without basing it on grounded policy or conventional practice. CAO (2008) further notes the need to put in place effective grievance handling practices to provide a fruitful channel by providing a reliable framework and set of propositions where employees and their employers can work together to find valuable remedies. A grievance handling practice provides a way for addressing workplace disputes and its establishment in accordance with the principal of due process (Mante-Meija & Enid, 1991) that promises the administration of equity in organization. It provides a venue for identification and resolution of conflicts arising from the workplace. Kenya National Bureau of Statistics (KNBS) human resources policies and procedures manual (2011) recognizes purposeful value and significance of comprehensive deliberations in resolving

misunderstandings and maintaining good relationships between employees and their supervisors/seniors and the organization they work in.

Grievance practices serve as a system of communication between employees and managers, it provides an avenue for complaints, informs managers and employers of any anticipated issues, curbs absenteeism, strikes and other incidents that have the likelihood of affecting business operations negatively and also has reputational risk (Acheampong et al., 2012). Grievance practices are the laid down means through which employees' grievances are addressed and the type applied varies from organization to organization, its management structure and resources available in that particular organization (Opatha, 2001; Gomathi, 2014; Rollinson, 2000).

1.1.4 Banking Sector in Kenya

The Banking sector in Kenya is regulated by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the different cost-effective protocols provided by the Central Bank of Kenya (CBK). The CBK, is housed in the Ministry of Finance program and is obligated for drafting and executing monetary procedure and stimulating the liquidity, solvency and appropriate working of the fiscal system. Presently there are 43 commercial banks in Kenya (CBK, 2016). To tackle these issues affecting the Banking sector in Kenya, banks have formed a forum called the Kenya Bankers Association (KBA). KBA is the umbrella body of the Commercial Banks certified under the Banking Act, Cap 488. The Association enhances and creates robust and dynamic banking principles and practices, contributes to the sector's progress, administration of the public relations facet of banking as a service sector and also negotiates employment terms on behalf of its members (KBA, 2016).

The 'Overall Ranking of Banks (ORB)' categorizes banks in Kenya in three groups: Tier I, Tier II and Tier III (Ochieng, 2010). Tier I is composed of banking institutions whose balance sheet exceeds Ksh 40 billion. Tier II are banking institutions whose gross assets range between Ksh 10 billion to Ksh 40 billion while Tier III are banks with gross asset value falling below Ksh 10 billion. According to Biashara (2016), there are 6 banks in Tier I, 16 in Tier II and 21 in Tier III. The difference between Tier I and Tier II banks appears to be stretching, Tier I is made up of old big banks and continue to grow very fast (Biashara, 2016 & Ochieng, 2010). The inclusive rating

is pegged on their performance in ten parameters. Ranking benchmark is in terms of total assets, profit before tax, profit on average assets, profit on average core capital, efficiency ratio, total non-performance credits to total gains, non-performance credits execution to working income, principal capital to gross deposit liabilities and current assets to gross liability (Ochieng, 2010).

Kenya banking sector has a significant Trade union presence. The creation, framework and organization of labour unions in Kenya are clearly indicated in the Labour Relations Act, 2007, Laws of Kenya. The bank workers union in Kenya is called the Bankers Insurance Finance Union (BIFU). Hiring and firing is required to be in line with the provisions and conditions laid out in the CBA for all unionized employees. Omollo (2010) indicate that the parameter estimate of registered CBAs is positive and statistically significant. Averages of over 300 collective agreements, mostly made on an individual employer basis, are signed yearly in Kenya (Fashoyin, 2001). The employer's union for banks, KBA and the bank employees' union, BIFU, signed a CBA which ensures that all rights of employees are respected.

While KBA negotiates employment terms on behalf of the employers, BIFU negotiates employment terms for bank employees in non-management positions. BIFU employs collective measures to promote its members' benefits in relation to salaries and working conditions (Khabo, 2008). The urgency for supporting pattern of bargaining and effective systems for the resolving of employee grievances as instruments for the sustenance of euphonious relations among the employees and their employers cannot be over exaggerated. Albeit recognizing the significance of continued economic relations, CBA acknowledges that employees should have improved living standards, decent wages, and regard for human value which is a fundamental human need.

In the banking industry, just like most organizations, complaints, conflicts and disputes are daily occurrences thus inevitable, though CBA is meant to manage these unproductive situations that exist between labour and management (Acheampong et al., 2012). To arrest or address this situation, each CBA in an organization should contain provisions for grievance settlement procedure (GSP) by which the dispute arising between the employers, the union or the employees are addressed (Gomathi, 2014). It is vital for a bank to employ effective grievance

handling practices to curb grievances presented by employees for the purpose of provoking fairness while mitigating disputes (Acheampong et al., 2012 and Adikaram and Rupasiri, 2008).

1.2 Research Problem

There are many issues surrounding grievance handling practices as perceived and realistic to both employer and employee. 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. Management may not have the required competency handling disputes; they may put more focus in following the law and due process rather than focusing on resolving a grievance and in other instances the employer's main concern is productivity and when one way has always achieved favourable results then it becomes reluctant in implementing or reviewing its grievance handling practices (Melchades, 2013; Nurse and Devonish, 2007; and Zulkiflee et al., 2011).

The banking sector in Kenya employs various talents of the overwhelming number of graduates from the local universities with various diverse backgrounds and as a result bank employees always have antagonistic interests concerning terms and employment conditions. BIFU is tasked to address various grievances facing its members in the banking sector. BIFU and KBA have always come together with a central goal of reaching concessions and agreements on regulations enhancing disagreements settlements (KBA, 2016). For employees, it acts as an insulating purpose, a voice function, and a distributive function (Ochieng, 2010). CBA is not limited to defining the agreements and working conditions but also enhances fruitful relationships of employees within an organization (Sundaray et al., 2009). Khan (2010) confirms that trade unions engage in negotiations to secure financial benefits (e.g. wages, bonuses, allowances, insurance, etc.) and non-financial benefits (e.g job security, fair treatment at work place, recreational facilities, etc.), but as proposed by Brown (2004), the sphere of issues covered by the CBA has cramped in the last two decades and the range has rarely gone beyond financial compensation. The banking sector is no exception to this since bargaining between the two unions, BIFU and KBA mostly revolve around pay and working hours and thus may have neglected other forms of conflicts that may arise from the bank employees.

There are various studies related to grievance handling practices. Acheampong et al. (2012) in their study on the role of employees in grievance settlement procedure at Barclays bank Ghana concluded that there is need for a fair and just grievance handling practice and the need to involve employees in all stages of grievance handling to enhance its acceptability and credibility across board. Harris et al (2008) in their study on Small firms and workplace disputes resolution, concluded that firms have established grievance and remedial practices which in most cases are formulated through outside assistance of legal practitioners, private HR professionals or workers unions when in actual sense the managers who are supposed to handle grievances have limited knowledge about these expected and documented practices. Muigua (2011) conducted a study on overview of arbitration and mediation in Kenya and established that Alternative Dispute Resolution (ADR) mechanism has worked fairly well in areas of commercial contracting and can also be used in labour sector in handling grievances. Ramani and Zhimin (2010), in their evaluation of discord settlement in Government secondary schools in Kenya, observed that perceived conflict occurs because of various reasons and concluded that emphatic communication is critical in evaluation of disagreements in addition to determining the core causes and therefore settling amicably different types of discordances requires clear-cut plans of action to be put in place. From above studies, it was evident that some organizations had grievance handling practices which they used in handling grievances while some had the procedure but their grievance handling practices were not in line with the procedures. The question then was: what is the perceived effectiveness of grievance handling practices in the banking sector in Kenya?

1.3 Research Objective

The general purpose of the research was to analyze the perceived effectiveness of employee grievance handling practices in the Kenyan banking industry.

1.4 Value of the Study

The study provided vital information on the perception of employees on grievances handling practices in the banking sector. The information enables management to review the effectiveness of the current practices in place in line with the findings; management is able to know what

works for employees and what doesn't hence help to guide them in finding ways of addressing areas which employees feel are not effective.

It aids the banking sector in reviewing the practices so that they have an effective system in place for handling grievances and also create an ambience where grievances are aired and policies and procedures are well understood in addition to employees having a high level of confidence in the system. This in turn will enable KBA and BIFU to review the CBA for the banking industry to eliminate flows and adopt best practices for resolving grievances. The same may also be used by other organizations, employers and employees' unions in ensuring that proper grievance handling practices are laid down in the grievance procedure.

To the scholars, it poses an awakening challenge to be aggressive in the exploration of modern HRM issues in addition to expounding the volume of knowledge on grievance handling practices. Albeit some investigators may have previously conducted similar studies in various regions around the world, specific to this study is the distinctiveness in regard to the setup which is the banking sector in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter explores the existing information pertinent to the study as disclosed by different intellectuals, writers, and researchers. This section deals with the theoretical foundation of the study whereby theories related to the study will be discussed. The chapter reviews literature regarding grievance handling practices, causes of grievances, effective grievance handling practices, and union involvement in employee grievances. The analysis considers other intellectuals and researchers work locally or internationally.

2.2 Theoretical Foundation of the Study

This section discusses theories that the study is grounded on. The theories chosen for the study were the procedural justice theory, and the contingency theory.

2.2.1 Procedural Justice Theory

Procedural justice is concerned with studying individuals' subjective perceptions of the fairness of procedures whether they are biased or unbiased, humane or inhumane, and otherwise reconcile with people's perceptions of just processes for social interrelation and adjudication. According to Lind & Tyler (1988) and Tyler (2000), personal procedural justice decisions have been a cynosure of voluminous research interest by psychologists since they have been with positive effects on a broad variety of crucial corporate attitudes and conduct.

Procedural justice theory was initially used in courtrooms and not in a labor market and the link between perceptions of fairness and the grievance handling structure was addressed by Gordon and Fryxell (1993). They argued that how a union relates with its members is connected closely to procedure and distributive justice provided for by its inclusion in the grievance system more than any other form provided for in the CBA. Consequently, filing of a complaint is a formal indicator of procedural justice perception based on the perceptions of the impartiality of the system, and the perception about the union. Put in another way, the perceived justice of the grievance procedure is emphatically connected to the level of employee satisfaction with

grievances handling practices, union and the organization leadership. (Thibault and Walker, 1975).

Korsgaard and Roberson (1995) & Steiner (2001) contend that employees who job climb the ladder jobwise in a system that is perceived to be unjust are incapacitated in delivering on their mandates single heartedly in meeting their organizational objectives while those who never get promotions are disgruntled and this contributes to unproductiveness; on the other hand those who get promotions through an impartial system will discharge their duty in a fair and consistent manner and with a lot of satisfaction. While distributive justice is impartiality in apportioning rewards which from an organizational angle include remuneration, job elevation, organizational procedural justice which on the other side includes justice of the procedures applied in making compensation decisions (Thibault and Walker, 1975). Lind and Tyler (1988) noted that employees with who contribute to the decision-making process are far much more contented whether the decision favors them or not as opposed to those who are not involved in decision making.

2.2.2 Contingency Theory

Contingency theory acted a major part in the organizational routine during the 1970s. It specifically analyzed the link which exists between organizational framework and the working conditions using the method of empirical comparative analysis (Mupukwa, 2009). Derr (1975) declared that this theory was one of the visionary instruments crucial in solving most of the organizational discordances and listed three main approaches in conflict management from which the mediator draws from in solving disagreements; collaboration, bargaining and power dynamics. The appropriate application of these methods varies from one individual or organizational state to another.

The phrase “contingency theory” was first documented by Lawrence and Lorsch in 1967, in the intimation of organizational framework (Ketokivi, 2006). Contingency theories that analyze organizational skeletons consider the organizational size, the organizational environment and the organizational strategy as probability factors which an organizational framework should be aligned to (Thomson, 1974). Equally there exists other factors though prominence is given to

these three from this basis and besides framework contingency theories, there exists other theories that are specific on organizational trait for instance administration, human capital and strategic decisions (Donaldson, 2001).

Tjosvold and Morishima (1999) conducted a study on the conduct and views of people on dispute settlement result. In terms of methodology the study used exploratory research design in collecting data for the study. Ratified by dispute settlement theory advanced by Deutsch (1949), this particular study has speculated that individuals are of the thought that their aims have a direct relation in that they will both succeed and handle their grievances compared to the ones with antagonistic goals. The study found that managers used competitive approach to grievance handling which involved opposing and uncompromising aspirations which aimed at promoting political agenda; or a cooperative style in managing grievances which generated malleable and approachable talks amongst the managers and their staff.

2.3 Causes of Grievances

Some of the causes of grievances include application and interpretation of CBA, poor supervisory abilities, absence of clear policies and procedures, poor channels of communication, personal problems, unfair hiring process, lack of training, discrimination, only to mention but a few. Ramani and Zhimin (2010) and Prasadini, Gamage and Hewagama, (2008) stated some causes of conflicts as discrimination, lack of equality, difference in perception on certain issues, individual differences, limited resources, religious differences, unfair reward process, etc. They observed that anticipated dispute emerges due to lack of knowledge, inadequate communication, and poor human resource practices while real disputes emerge in places where there is diversity and multiplicity of ways in handling of similar issues.

2.4 Grievance Handling Practices

Saundry, Antcliff and Jones (2008) in their study on accompaniments and representation in workplace discipline and grievance, articulate the grievance handling practices as formal and the informal practices. The informal practice is based on trust between employee and the superior (or the aggrieved) and does not require representation while in the formal practice; the aggrieved has

a representation in a grievance hearing. Mubezi (2013), states that the representation for unionised employee, a union representative aids in moderation of the grievance hearing process and sometimes this depends on the relations among labor union officials, management and HR department. For non-unionised employees who have representation, the representative does nothing much except for just acting as a witness. In all employment relations, employees are always encouraged to address concerns directly with the concerned parties if possible (Mupukwa, 2009).

2.4.1 Informal Grievances Handling Practices

Randolph and Edjeta (2011) notes that informal processes work most effectively where there is good relationship and in the case of incidences of personal conflicts among two people in places where conventionally unofficial settlement is applicable. According to CAO (2008), organizations apply some practices in dealing with grievances but usually are not well-defined and procedural approach is existent. The common ways are the practice of blind trust where companies usually offer a blanket suggestion to unofficially pass by the managers' office at any moment to air their complaints; or ad hoc approach where managers use their discretion on a case by case basis.

Blind trust can be very effective because it fixes issues before they are full blown. Supporters of the trust proposition caution that a dispute system is not important if as an organization has considerable trust built with its employees (Adikaram and Rupasiri, 2008). Gomathi, (2014) contends that employees do not have to document their grievances in this case and trust on management to resolve the issues and concerns raised and this makes the grievance process easier since there is trust which is grounded on healthy employment relationships. It relies on trust to avoid grievances and this works well when there is good relationship between employees and the employer (Margolies, 2004). This is however, not recommended since a grievance in some circumstances may go out of hand and trust alone in such circumstances cannot forestall a grievance hence it can only work in small organizations. Blind trust may not work in big organizations where senior staff/managers lack time to deal with numerous normal disputes which they may consider is the duty of junior staff/supervisors (Hunter, and Kleiner, 2004).

According to Acheampong et al (2011), Ad hoc approach on the other hand involves managers using their own discretion on every individual case as particular complaints arise and normally does not involve senior management. It is inflexible and inconsistent since every case is dealt with as an isolated occurrence, lacking ground in considerate grievance handling norm (Melchades, 2013). It therefore lacks credibility and in that case may have discrepancies since even closely related cases are treated differently thus impeding the ability to provide equitable, efficient and consistent resolutions. Ad hoc approach may lack transparency and is also too reactive to address conflicts of any complexities (Adikaram and Rupasiri, 2008). ACAS (2007) observes that an informal approach may help the stakeholders to understand the effects of their behaviour thus change it and avoid unnecessary escalations and it also helps to put things into perspective thus creating a healthy employment relationship free from suspicions.

2.4.2 Formal Grievance Handling Practices

If a grievance is not conclusively handled by a line-manager, the unhappy employee has a right to push through a documented complaint and follow through to its conclusion. The formal practice involves investigation, making decision, announcing approach and offers multi step practices with specific timelines which are followed (Balamurugan and Shenbagapandian, 2016). Dissatisfactions are sanctions through appropriate avenues are examined to determine their credibility or assess whether the grievance is valid or invalid (Hunter, and Kleiner, 2004). CAO (2008) ascertain that supposing that the complaint qualifies for more fact-finding, it is presented forward to the managers for necessary action and official company feedback is drafted and given to the staff who is aggrieved in this case (complainant). The complainant appeals if not satisfied with the response following hierarchy as designed by the organization that the employee belong to (Nurse and Devonish, 2007). More focus has been directed on the practices, followed by the aggrieved persons and the form of remedial measures hence it's critical to adhere to the regulations since it facilitates openness and limits legal damage (Hunter and Kleiner, 2004).

Kelly (2006) asserts that responsible employers have sound grievance handling practices however formal grievance handling practice may be costly in terms of consuming management time, fees for external investigations, the breakdown in workplace relationships during and after

the investigation and possible recruitment costs if one of the employees leave the organization. Harris et al. (2008) in their study on Small firms and workplace disputes resolution, revealed that formal grievance handling practices is the safest route to follow since it provides evidence if challenged.

McGrane et al. (2005) have finalized a research on one-to-one conflict management. The subject population of interest comprised of individual workers working in small offices in British Isles. In instituting a personal conflict settlement, McGrane (2005) and his colleagues have found three major methods of resolving conflicts often employed by managers and employees which were fight (focused on identifying a winner and a loser), flight (which meant that the supervisor would ignore or flee away in case things got thicker) and intervention (which involve inviting an arbitrator).

2.5 Effective Grievance Handling Practices

Kelly (2006) emphasized that responsible organizations have sound practices that ensure that employees' grievances and complaints are thoroughly investigated and addressed since the benefits of adequately addressing grievances are always rewarding to both employees and the organization as a whole. According to PSC, South Africa (2011), effective grievance handling practice should include registration of grievances, evaluation of grievances, use of past practices in addressing raised grievances, effective communication, and identifying systemic problems in a grievance process.

Grievances are disquiets, challenges or complaints brought forward by an employee concerning issues at the workplace such as the nature of work, the workload and issues relating to work mates (Randolph and Edjeta, 2011). These Grievances are best handled at a formative stage, informally, however, the organization and the HR department must always be in a position to conclusively handle employee grievances through an established and formal Employee Grievance Practices documented for the organization (Kelly, 2006).

2.5.1 Registration of Grievances

An employee should not only know how to register grievances but should also be able to freely register a grievance and acknowledgement should be given to the aggrieved employee so that he/she may be able to make any follow-ups and track progress of the grievance raised (Kelly, 2006). Edjeta (2011) asserts that, every individual has a right to be hence an organization grievance practice should offer a chance to all affected to bring forth their issue and provide evidence where required or where the same is available. According to CAFOD (2010), employees should be conversant with grievance registration process and the organization should also ensure that the purpose and function of the system is transparent. The registration system or mechanism should be readily available for staff/employees to use whenever they have a grievance that needs registration and should be easy and simpler to use. Employer therefore has the task of ensuring that all employees are conversant with the registration mechanism

Zulkiflee et al. (2011) note that a transparent receipt and registration system should create a channel for the dissatisfied staff to lodge their complaints and have confirmation of receipt by responsible person in Human Resource department responsible for handling their grievances. This would also assist the employer in tracking the progress made in the handling of grievances of employees and keep them updated as appropriate (Melchades, 2013).

2.5.2 Evaluation of Grievances

Hunter and Kleiner (2004) contends that upon receipt of a grievance, the recipient should engage in gathering information on the grievance raised and obtaining the opinion of other interested parties and then developing a plan on how the issues and concerns raised can be addressed. Information obtained to assist in a grievance hearing or resolution should be confidential and should only be used for the purpose for which it is obtained in which case it should only be shared between the designated persons handling the grievances and the aggrieved (Prasadini, Gamage and Hewagama, 2008).

The information provided for a grievance hearing should be validated for credibility while also ensuring that supporting evidence is documented where the same is required and readily

available (Hunter and Kleiner, 2004). Grievances evaluation enables the persons handling them to identify the issues and concerns raised hence it is important that information is gathered before identifying how the issues and concerns raised are to be addressed.

2.5.3 Use of Past Practices in Addressing Raised Grievances

While it is important to follow process laid down in the grievance handling procedure, the practice should be able to effectively address the grievance raised. The process should be flexible and provide for joint problem solving, in which the employer and the aggrieved employee engage in direct dialogue to reach a fair decision and practice should be impartial throughout the process with or without the presence or active involvement of the trade union official, TUR (Tripartite Alliance for Fair Employment Practices-TAFEP, 2011).

As Walden et al (2011) puts it in his study on how the World Bank employees through its peer appraisal services are denied their right to an impartial hearing, irrespective of which option the bank selects, it must guarantee to provide its employees with a fair justice structure that meets the established standards in accordance to human rights statutes. Failure to do this the bank may suffer serious credibility issues on its mission of enhancing fair national judicial systems in the lending nations through its administrative projects, hence the need to lead by example.

Melchades (2013) carried out a study assessing the ways in which the grievance management policy, strategies and practices enhance work performance in organizations and noted that grievances deal directly with employees thus can bring more and direct effect to the organization either positively or negatively. The study concluded that the work performance at any organization facilitated by the effective grievance management which harmonizes the working environment thus increasing working satisfaction of employees and improves their performance.

2.5.4 Effective Communication

There should be continuous and free flow of feedback to the aggrieved on stage and progress of grievance raised. Communication is a crucial practice in any relation that has been shown that when employed well it results into cohesion and efficiency in meeting organizational objectives

(Quagraine, 2010). The ardor by the employees to possess results in fruitful working atmosphere promotes and offers a nurturing and sustenance of such environments. Employees are emboldened to identify the remedies to their challenges and ease the burden on the employer. Ramani and Zhimin (2010) observed that perceived conflict occurs because of various reasons and concluded that efficient communication is crucial in examination of conflicts as well as in recognizing root causes that lead to the issues and therefore settlement of different types of disputes calls for special techniques.

Hook et al (1996) carried out a research on first-line managers and senior managers' techniques in managing discipline and complaints and the research revealed that participants favored participatory techniques of handling disputes. However, the study also found that when supervisors and managers perceived a situation that appeared as a clear onslaught on their positions, they turned to dictatorial techniques where they first stamp their authoritative decision before they justify their actions.

2.5.5 Identifying Systemic Problems in the Grievance Process

Nurse and Devonish (2007), noted that the benefit of a sound grievance procedure is that it assists in identifying systemic problems in the process. It provides for organizational learning in that, problem areas in the grievance practices are identified and amended to address past injustices and prevent recurrent future dissatisfactions. Njiraini, (2015) further adds that typically, a resultant grievance practice assists the leaders to unearth and tackle issues within an organization before they escalate. It provides an avenue through which staff express their issues and forebodings to their seniors. Mubezi, (2013) states that it is therefore essential to have records of previously handled grievances and how they were resolved so that management can learn from them and put a permanent fix to such grievances. If the same nature of grievances keep on recurring then it means the management is not paying much attention to have a thorough root cause analysis of issues raised and having them addressed permanently. Non recurrence of same grievances on the other hand may mean that either management is alert and is keen on handling and addressing grievances effectively, or employees simply refrain from raising such grievances for one reason or another (Melchades, 2013).

Zulkiflee et al. (2011) did a study on the impacts of different departmental sections leaders' dispositions on grievance tackling. It revealed that managers use different grievance handling styles which are integrating (which is influenced by extraversion), compromising (influenced by emotional stability) and dominating (which is contributed to by conscientiousness).

2.6 Trade Union Involvement in Employee Grievances

Trade Unions are voluntary employee organizations in work places whose role is to safeguard the pursuits of the worker by conjunct and look after their financial and non-financial well-being (Sihna et al., 2006). Webb (1894) defines a Trade Unionism as a regular involvement of workers with an intention of maintaining and sustaining better working conditions for its members. Cole (1938), points out that a Trade Union is made of workers from one or different professions whose major mandate is to safeguard its members, the financial and non-financial wellbeing in connection with their daily work. Trade Unions are an indispensable and forcible element in the modern framework of manufacturing and circulation of goods and services. A Trade Union is an organized group of workers and its critical purpose is to safeguard and improve the financial and non-financial wellbeing of its members (Prasad, 2009).

Trade Unions act on behalf of individual workers when disputes arise at the place of work (Tjosvold and Morishima, 1999). When an employee is aggrieved he can request the union to act on his stead in sorting out the grievances with the employer, and in addition, Unions facilitate the provision of legal services to their members. Unions conclude legally binding CBAs, interpret them and represent employees in the grievance process and before the Labor Court. They have authority under most labor statutes to conclude collective agreements with employers derogating from the CBA. Trade unions negotiate and enter into agreements with the employers so as to reach agreements which regulate working conditions for its members (Sihna et al., 2006). CBA reached by these negotiations usually set out wage scales, working conditions, training, health and safety, overtime, grievance mechanisms and the rights to participate in workplace or company affairs. Trade unions also help their members with various problems that are happening in the field, they represent them in issues like redundancy, grievance, disciplinary procedures and legal actions (Jaba, 2012).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents the methodology which is used in carrying out the study. The chapter contains Research Design, Target Population, Sample Design, Data Collection and Data Analysis.

3.2 Research Design

The current study employed a descriptive research design. The research design was chosen for this research because of its capability to maximize reliability of information gathered. Kothari (2008) contends that a descriptive research design is suitable where the study needs to draw conclusions from a larger population. Mugenda and Mugenda (2003) asserts the purpose of descriptive research is to determine and report the way things are. This helped in forming the current position of the population under the study.

3.3 Target Population

Cohen, Manion, and Morrison (2007) define a target population as a specific proportion of the entire population that can be narrowed to achieve research objectives. The target population for this study included all unionizable staff of commercial banks in Kenya. The banks were picked from their categories of Tiers I, II and III as classified by the overall ranking for banks in Kenya by Ochieng (2010). There is a total of 8,000 union staff that belong to BIFU.

3.4 Sample Design

A sample is a subset of the population. Cohen, Manion, and Morrison (2007) define sampling as a process of selecting a small part from the entire population to be studied. The perfect sample should be representative enough to serve as an adequate representation of the population about which the researcher wishes to generalize and conclude a study (Wambugu *et al.*, 2015). The study used both simple random sampling and purposive sampling techniques to arrive at the respondents to be used for the study.

Given that commercial banks in Kenya were categorised into three Tiers namely Tier I, Tier II and Tier III, the study purposively selected 3 banks from each tier making it a total of 9 commercial banks. The study used simple random sampling (union staff had an equal chance of being picked) to randomly select only 30 unionizable staff from each bank to take part in responding to the questionnaires. This means that the study used a total of 270 respondents from 9 commercial banks. A rule of thumb as proposed by Salkind (2005) denotes that a size that is thirty to five hundred is appropriate for most academic researches.

3.5 Data Collection

This study collected primary data using questionnaire to generate quantitative data. The questionnaire was divided into two parts: Part one looked at the demographics and part two looked at grievance handling practices in the bank. The researcher explained the goal of the study and offered direction to the staff on the way to fill in the questionnaire before giving out the same to be filled. The staff were assured verbally that the information obtained from them was treated with ultimate confidentiality and requested to provide the information truthfully and honestly. The study administered the questionnaires through drop and pick method whereby the questionnaires were to the staff to fill in their own suitable time. The researcher made follow up visits and courtesy calls when necessary to give reminders the staff to fill-in the questionnaires and in so doing increasing the response rate. The study depended on data collected through a questionnaire designed to address the goal of the study.

3.6 Data Analysis

Data collected from the finalized responses was summarized, coded, tabulated and checked for any errors and omissions. Frequency tables, percentages, means and standard deviation were used to present the results. The feedback was then analyzed by using descriptive statistics.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter presents the findings from the analysis of the data collected. The discussion of the findings is also presented in this section. The findings presented include the response rate, the bio data of the employees as well as findings related to the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya.

4.2 Response Rate

The research was conducted on a sample size of 270 employees from 9 commercial banks to which questionnaires were administered. Conversely, out of the 270 issued questionnaires, 245 were fully completed thus making a feedback rate of 90.7%. This response rate was considered sufficient for statistical analysis and reporting.

4.3 Demographic information of participants

The study collected the bio data of the employees who participated in filling the questionnaires. This data comprised of name of their organization/bank, job role/position, age, gender and work duration. This information was important to enable the study to establish the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya.

4.3.1 Name of Organization/Bank

The study further looked into the name of the organization/bank that the employees were working for. Respondents for Tier I banks came from Kenya Commercial Bank, Cooperative Bank and Standard Chartered Bank; for Tier II banks came from National Bank, NIC Bank and Family Bank; and for Tier III banks were from First Community Bank, ABC Bank and Consolidated Bank.

4.3.2 Job Role/Position

The study requested the employees to state the position they held in the commercial banks. Majority of the respondents indicated their positions as tellers while other respondents stated their position as either clerks or operation assistants. All these job roles stated by the respondents are considered as entry or lower levels of the bank roles/positions which means all the respondents belong to BIFU.

4.3.3 Age

The study collected data on the age of the respondents. The findings are presented in Table 4.1

Table 4.1: Age Bracket

Age	Frequency	Percent (%)
30 years or below	118	48.2
31 - 40 years	67	27.3
41 - 50 years	26	10.6
Above 50 years	34	13.9
Total	245	100

Findings in Table 4.1 show that most (48.2%) of the participants were 30 years old or below, 27.3% were from 31 to 40 years old, 13.9% were above 50 years old while 10.6% of the respondents were from 41 to 50 years old. The findings show that the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya was in the hands of principals of prime age. This means that most workers in the Kenyan banking sector who are in the Union (BIFU) are 30 years old or below.

4.3.4 Gender

The study collected data on the gender of the respondents. The findings are presented in Table 4.2.

Table 4.2: Gender

Gender	Frequency	Percent (%)
Male	129	52.7
Female	116	47.3
Total	245	100

From the table above, data presented highlight that 52.7% constituted males respondents while 47.3% made the female respondents. The gender disparity among the employees in the banking sector is relatively small due to the fact that the job roles are basically entry levels and any graduate who meets the entry level requirements always stand a chance of being employed in the banking sector in Kenya.

4.3.5 Work Duration

The study sought to establish how long the participants had served their bank. The feedback is presented in Table 4.3 below.

Table 4.3: Work Duration

Work Duration	Frequency	Percent (%)
Below 3 years	88	35.9
3 - 5 years	78	31.8
6 - 10 years	68	27.8
Above 10 years	11	4.5
Total	245	100

From Table 4.3 above, most Kenyan bank employees (35.9%) stated that they had worked for the bank below 3 years, 31.8% stated that they had worked for the bank from 3 to 5 years, 27.8% stated that they had served the bank from 6 to 10 years while 4.5% stated that they served the bank for more than 10 years. This implies that most of the employees who are in the union had worked for the bank below 3 years; a reflection that as bank employees gain experience with the number of years worked, their either get promoted to managerial roles (thus exiting BIFU) or leave the banking sector to join other non-banking organizations.

4.4 Grievance Handling Practices in the Bank

The objective of the study was to analyze the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya. The grievance handling practices were classified into formal and informal grievance handling practices whereby employees were expected to raise grievances either formally or informally. If the employee decided to raise grievances formally, then this involved registration of the grievances, evaluation of the grievances, the use of past practices in addressing raised grievances, two-way communication, identification of systemic weaknesses in the grievance process and finally the trade union involvement in handling the grievances raised.

4.4.1 Formal and informal handling Grievances

The study asked the respondents if they are confident in raising grievances, if they prefer to raise grievances informally rather than formally and if they preferred to raise grievances anonymously. The responses were presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. Table 4.4 outlines the findings.

Table 4.4: Grievances by Staff either Formally or Informally

Grievances by Staff either Formally or Informally	Mean	Std. Deviation
Staff are confident in raising grievances	4.52	0.068
Staff prefer to raise grievances informally rather than formally	3.03	0.800
Staff prefer to raise grievances anonymously	3.80	1.052

The feedback in table 4.4 indicate that majority of the respondents strongly agreed that staff are confident in raising grievances with mean score of 4.52. Some of the respondents agreed with the statement that staff prefer to raise grievances anonymously with mean score of 3.80. However, the respondents neither agreed nor disagreed with the statement that staff prefer to raise grievances informally rather than formally with mean score of 3.03. The findings therefore imply that while the unionised employees in the Kenyan banking sector are confident in raising grievances, they neither agree nor disagree on whether they prefer to raise grievances formally or informally but confirm that they prefer to raise grievances anonymously which obviously affect the perception of grievance handling practices in the banking sector in Kenya.

4.4.2 Registration of Grievances

The study asked the respondents to level of agreement on simplicity and ease of using registration system to log grievances. The responses were presented on a scale of 1 to 5 where 1

= strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The response is as indicated below.

Table 4.5: Registration of Grievances

Registration of Grievances	Mean	Std. Deviation
Grievance registration system is simple and easy to understand and use	3.78	0.981

From the findings in table 4.5, majority of the respondents agreed that grievance registration system is simple and easy to understand and use with mean score of 3.78. This analysis denotes that the Kenyan banking sector has made it easy for its employees to have a system for registration that is simple and easy to use which then encourages them to raise grievances whenever they are faced with any.

4.4.3 Evaluation of Grievances

Moreover, the employees were asked to state their level of agreement or disagreement on the evaluation of grievances. The responses were presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The table below shows the findings.

Table 4.6: Evaluation of Grievances

Evaluation of Grievances	Mean	Std. Deviation
Causes of grievances are adequately investigated before a grievance hearing	3.27	1.011
Information is gathered from all concerned parties before a grievance hearing and conclusion	3.74	0.881

The results in table 4.6 indicate that most employees agreed that information is gathered from all concerned parties before a grievance hearing and conclusion with mean score of 3.74. The analysis further indicated that most of the respondents neither agreed nor disagreed that causes of grievances are adequately investigated before a grievance hearing with mean score of 3.27. The findings therefore imply that while information is gathered from all concerned parties before a grievance hearing and conclusion, causes of grievances are not adequately investigated before a grievance hearing or if that is done so, then employees in the Kenyan banking sector are not necessarily convinced that the causes of grievances are adequately investigated before a grievance hearing. This clearly affects the perception on the effectiveness of the grievance handling practices.

4.4.4 Use of Past Practices in addressing grievances

The employees were requested to indicate their level of agreement or disagreement on the use of past practices in addressing grievances in the Kenyan Banking sector. The responses were presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The responses are indicated below.

Table 4.7: Use of past practices in addressing grievances

Use of past practices in addressing grievances	Mean	Std. Deviation
Staff is given a chance to explain the case and provide related evidence for a fair hearing	3.7	1.048
Staff trust the supervisor to effectively handle grievances raised	3.59	0.754
Grievances are given enough attention and are adequately addressed whether they are raised formally, informally or anonymously	3.43	1.127

According to the results in table 4.7, most employees agreed with the statement that Staff is given a chance to explain the case and provide related evidence for a fair hearing and Staff trust the supervisor to effectively handle grievances raised with mean scores of 3.7 and 3.59 respectively. However, most of the respondents neither agreed nor disagreed with the statement that Grievances are given enough attention and are adequately addressed whether they are raised formally, informally or anonymously with mean score of 3.43. The analysis implies that grievance handling practices in the banking sector in Kenya suggest that even though staff is given a chance to explain the case and provide related evidence for a fair hearing and Staff trust the supervisor to effectively handle grievances raised, most grievances are however not given the attention they deserve to get addressed.

4.4.5 Effective Communication

The respondents were also requested to indicate their level of agreement or disagreement on effective communication while handling grievances in the Kenyan Banking sector. The responses were presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The table below outlines the findings.

Table 4.8: Effective Communication

Effective Communication	Mean	Std. Deviation
There is transparency and continuous flow of feedback throughout the grievance handling process	3.74	0.881
Supervisors handling grievances have human relation skill	3.79	1.12
Grievances are tracked and the aggrieved is frequently updated on the status or progress in every step	3.98	0.268
Both aggrieved and the manager/supervisor engage in direct dialogue	3.69	1.233

Results from the table above (table 4.8) show that most of the respondents agreed with the statement that grievances are tracked and the aggrieved is frequently updated, supervisors handling grievances have human relation skill, there is transparency and continuous flow of feedback throughout the grievance handling process and both aggrieved and the manager/supervisor engage in direct dialogue with mean scores of 3.98, 3.79, 3.74 and 3.69 respectively. The analysis consequently suggest that there is effective two way communication as far as grievances handling practices in the Kenyan banking sector is concerned given that grievances are tracked and the aggrieved is frequently updated, supervisors handling grievances have human relation skill, there is transparency and continuous flow of feedback throughout the grievance handling process and both aggrieved and the manager/supervisor engage in direct dialogue. These empowered involvements of facts amongst staff in banking sector tend to facilitate work activities in banks; and has enhanced good working relationship between workers and the employers.

4.4.6 Identifying Systemic problems in the Procedure

The respondents were further requested to indicate their level of agreement or disagreement on matters concerning identifying systemic problems in the procedure in the Kenyan Banking sector. The responses were presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The table below outlines the findings.

Table 4.9: Identifying Systemic problems in the Procedure

Identifying Systematic problems in the Procedure	Mean	Std. Deviation
Grievances raised are resolved in time	3.57	0.978
There are no discrepancies in handling grievances	3.65	0.368
Matters related to grievances are kept confidential	3.58	1.042

The analysis in table 4.9 indicate that majority of the respondents agreed with the statement that there are no discrepancies in handling grievances, matters related to grievances are kept confidential and grievances raised are resolved in time with mean scores of 3.65, 3.58 and 3.57 respectively. The analysis therefore implies that there are no systemic problems in in the way grievances handling is practiced in the Kenyan banking sector given that the respondents agreed that there are no discrepancies in handling grievances, matters related to grievances are kept confidential and grievances raised are resolved in time. It is therefore vital to have records of formerly handled grievances and how they were resolved so that management can learn from them and put a permanent fix to such grievances.

4.4.7 Trade Union Involvement

The respondents were further requested to indicate their level of agreement or disagreement on matters concerning trade union involvement in the Kenyan Banking sector. The responses were

presented on a scale of 1 to 5 where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. The table below outlines the findings.

Table 4.10: Trade Union Involvement

Trade Union Involvement	Mean	Std. Deviation
Staff prefer to have a union representation in a grievance hearing	4.24	0.189
Union representation in a grievance hearing is adequate and relevant	3.82	0.986
Union representative is able to table concerns in line with Collective Bargaining Agreement	3.81	0.854
Union representative is able to follow through the grievances to conclusion	4.81	0.025

Results from table 4.10 above show that majority of the respondents strongly agreed with the statement that union representative is able to follow through the grievances to conclusion with mean score of 4.81. Furthermore, most of the respondents agreed with the statement that staff prefer to have a union representation in a grievance hearing, Union representation in a grievance hearing is adequate and relevant and Union representative is able to table concerns in line with Collective Bargaining Agreement with mean score of 4.24, 3.82 and 3.81 respectively. The findings therefore imply that Union representative is highly trusted in the Kenyan banking sector and that they are not only able to table concerns in line with the CBA but are also able to follow through the grievances to conclusion. This also implies that union representation in the Kenyan banking sector is very effective in addressing issues/matters affecting its members.

4.5 Discussion of the Findings

The study revealed that employees in the Kenyan banking sector neither agreed nor disagreed to the preference of raising grievances informally or raising grievances formally. While Randolph and Edjeta (2011) indicated that informal processes work most effectively where there is good relationship and in the case of incidences of personal conflicts among two people in places where conventionally unofficial settlement is applicable, Harris et al (2008) asserted that formal grievance handling practices are the safest route to follow because of availability of evidence in case challenged. This therefore is in line with the findings which imply that as much as staff in the Kenyan banking sector are confident in raising grievances, they neither agree nor disagree to the fact that they prefer to raise grievances informally rather than formally.

The study revealed that grievance registration system is simple and easy to understand and use. This concurred with Kelly (2006), who in his study on “Workplace bullying” asserted that employee should not only know how to register grievances but should also be able to freely register a grievance and acknowledgement should be given to the aggrieved employee so that he/she may be able to make any follow-ups and track progress of the grievance raised. Acknowledging that the registration system is simple and easy to use is therefore a prerequisite in assisting employees address their grievances in the Kenyan banking sector.

The study confirmed that in most cases in the banking sector in Kenya, information is gathered from all concerned parties before a grievance hearing and conclusion which is in line with Hunter and Kleiner (2004) who asserted that the recipient of grievances should always engage in gathering information on the grievance raised and obtaining the opinion of other interested parties and then developing a plan on how the issues and concerns raised can be addressed. The study however noted that it is not necessarily true that causes of grievances are adequately investigated before a grievance hearing.

It further established that in the Kenyan banking sector, staff is given a chance to explain the case and provide related evidence for a fair hearing and staff trust the supervisor to effectively handle grievances raised which showed a strength on the impartiality in the grievance handling practices in the banking sector in Kenya. This definitely reflects flexibility and provide for joint

problem solving as the aggrieved and the supervisor engage in direct dialogue to address a raised grievance. While there is a reflection in the banking sector in Kenya that every party is given a chance to provide evidence for a fair hearing, the study also revealed that grievances are not given attention that they deserve hence reveal a systemic weakness which should be addressed. This study agrees with Walden et al (2011) who noted that the World Bank also had a weakness in giving its employees their right to an impartial grievance hearing. Failure to provide impartiality in a grievance practice may lead to the banks having reputational issues coupled by other risks associated with non-performance of employees who feel that the system is not just.

The study also found that there is effective communication when handling grievances in the banking sector in Kenya given that grievances are tracked and the aggrieved is frequently updated, supervisors handling grievances have human relation skill, there is transparency and continuous flow of feedback throughout the grievance handling process and both aggrieved and the manager/supervisor engage in direct dialogue. This is probably the reason why there is cohesion and efficiency in meeting organizational goals in the banking sector. This study concurred with Quagraine (2010) who asserted that active engagement and good relationship with the workers boosts the confidence in grievance handling practices.

The study also revealed that there is consistency in handling grievances in the banking sector in Kenya given that there are no discrepancies in handling grievances, matters related to grievances are kept confidential and grievances raised are resolved in time. It is therefore vital to have records of formerly handled grievances and how they were resolved so that management can learn from them and put a permanent fix to such grievances and noted by Mubezi (2013).

Tjosvold and Morishima (1999) contend that Trade Unions act on behalf of individual workers when disputes arise at the place of work and in indeed this is confirmed by the study which has revealed that there is high level of trade union involvement in the banking sector in Kenya. The fact that staff in the Kenyan banking sector prefer to have a union representation is a strong indication also that the Union representative is able to follow through the grievances to conclusion, Union representation in a grievance hearing is adequate and relevant and Union representative is able to table concerns in line with Collective Bargaining Agreement. This is a

reflection that union representatives do not only have the passion to serve their members but also know what is required of them as far as members representation in a grievance hearing is concerned.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings of the research generated from data analysis. The conclusion is drawn in line with the objective of the study. It then gives recommendation and finally gives suggestions for further studies.

5.2 Summary of Findings

The study found that the employees worked for Kenya Commercial Bank, Cooperative Bank Standard Chartered Bank for Tier I Banks; National Bank, NIC Bank and Family Bank for Tier II Banks; and First Community Bank, ABC Bank and Consolidated Bank for Tier III Banks. The study also found that most employees indicated their positions as tellers while other respondents were clerks or operations assistants. It further found that the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya was in the hands of principals of prime age as most employees in the banking sector in the union (BIFU) are aged 30 years or below. Additionally, the study found that gender disparity among the employees in the banking sector is relatively insignificant as the difference between the two genders was about 5%. Finally, the study found that most the employees had served the bank they worked for below 3 years and thus could provide enough information regarding the perceived effectiveness of employee grievance handling practices in the Kenyan banking sector.

The study sought to find out the perceived effectiveness of employee grievance handling practices in the banking sector in Kenya. The grievance handling practices were classified into formal and informal grievance handling practices whereby employees were expected to raise grievances either formally or informally. The study found that while the unionised employees in the Kenyan banking sector are confident in raising grievances, they neither agree nor disagree on whether they preferred to raise grievances formally or informally but confirmed that they preferred to raise grievances anonymously which obviously affect the perception of grievance handling practices in the banking sector in Kenya.

On registration of grievances, the study affirmed that employees in the Kenyan banking sector consider the registration system to be simple and easy to use which then encourages them to raise grievances whenever they are faced with any. Therefore, the grievance practices in the Banking sector in Kenya offer a chance to all affected employees to bring forth their issues and provide evidence where required or where the same is available to help in addressing concerns.

The study revealed that while information is gathered from all concerned parties before a grievance hearing and conclusion, causes of grievances are not adequately investigated before a grievance hearing or if that is done so, then employees in the Kenyan banking sector are not necessarily convinced that the causes of grievances are adequately investigated which clearly affects the perception on the effectiveness of the grievance handling practices. It also suggests that even though staff is given a chance to explain the case and provide related evidence for a fair hearing and staff trusts the supervisor to effectively handle grievances, most grievances are however not given the attention they deserve to get addressed.

The study further found there is effective two way communication as far as grievances handling practices in the Kenyan banking sector is concerned given that grievances are tracked and the aggrieved is frequently updated, supervisors handling grievances have human relation skill, there is transparency and continuous flow of feedback throughout the grievance handling process and both aggrieved and the manager/supervisor engage in direct dialogue. Communication is therefore a very powerful tool that if used effectively, helps in easing tension between employees in a workplace and improves workplace relationship.

The study also noted that there are no systemic problems in in the way grievances handling is practiced in the Kenyan banking sector given that the respondents agreed that there are no discrepancies in handling grievances, matters related to grievances are kept confidential and grievances raised are resolved in time. It is therefore vital to have records of formerly handled grievances and how they were resolved so that management can learn from them and put a permanent fix to such grievances. It further asserted that Union representative is highly trusted in the Kenyan banking sector and that they are not only able to table concerns in line with the CBA but are also able to follow through the grievances to conclusion. This also implies that union

representation in the Kenyan banking sector is very effective in addressing issues/matters affecting its members.

5.3 Conclusion

In conclusion, unionised employees in Kenyan banking sector are confident in raising grievances but neither agreed nor disagreed on whether they preferred to raise grievances formally or informally. The registration system is simple and easy to use which then encourages employees to raise grievances whenever they are faced with any; information is gathered from all concerned parties before a grievance hearing; but employees are not necessarily convinced that the causes of grievances are adequately investigated and strongly feel that grievances are not given the attention they deserve to get addressed which clearly affects the perception on the effectiveness of the grievance handling practices. While it is noted that there are no systemic problems in the way grievances handling is practiced in the Kenyan banking sector, it is vital to have records of formerly handled grievances and how they were resolved so that management can learn from them and put a permanent fix to such grievances.

It is also noted that in a grievance hearing in the banking sector in Kenya, employees are given a chance to explain the case and provide related evidence for a fair hearing and that most of them trust the supervisor to effectively handle grievances. It is also evident that there is effective communication as far as grievances handling practices in the Kenyan banking sector is concerned and that the parties involved in a grievance process are actively involved in constructive dialogue; and that Union representative is highly trusted in the Kenyan banking sector and that they are not only able to table concerns in line with the CBA but are also able to follow through the grievances to conclusion. This implies that union representation in the Kenyan banking sector is highly effective in addressing issues/matters affecting its members.

5.4 Recommendations for Policy

This study recommends that employee grievance handling practices are very important in the banking sector as they help the bank achieve competitive edge thus ultimately increasing profitability. With banking sector being the market leader in the financial sector in Kenya at the

moment, adoption of effective employee grievance handling practices in the sector is highly recommended going by the impact it has had in other commercial bank achievement of competitive advantage through improved financial performance.

5.5 Recommendations for further Research

The study recommends that studies should be carried to establish the extent of effectiveness of employee grievance handling practices in foreign commercial banks to establish a broad analysis on role of employee grievance handling practices.

It also recommends that study should further be done to address feedback given by employees as to why they neither agreed nor disagreed with the statements - Staff trust the supervisor to effectively handle grievances raised; Matters related to grievances are kept confidential; Grievances raised are resolved in time; Grievances are given enough attention and are adequately addressed whether they are raised formally, informally or anonymously; Causes of grievances are adequately investigated before a grievance hearing; and that Staff prefer to raise grievances informally rather than formally.

It further recommends that employees should always be involved in every step of a grievance process and there should not only be effective union representation, but the employer should create an environment which enables the employees to feel that indeed there is a conducive environment for raising and handling grievances and the persons involved in grievances handling should also have adequate human relations skills besides following the laid down practices of handling grievances.

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APPENDIX I: LETTER OF INTRODUCTION

Dear Sir/Madam,

Re: Request for Research Data

The researcher is a postgraduate student at the University of Nairobi pursuing Masters of Business Administration program and specializing in Human Resource Management. The topic of research is ‘Employee grievance handling practices in the banking sector in Kenya’.

You have been identified as one of the respondent as your organization’s HR/Diversity manager. The attached questionnaire has been designed to help the researcher gather data from the respondent on the research topic.

Responses will be treated in strict confidentiality.

Yours sincerely,

Patricia Asewe

Researcher

Email: pasewe@yahoo.com

Cell phone 0725318474

APPENDIX II: QUESTIONNAIRE

Please provide your response in the spaces given or by ticking the box that best matches your response to the questions where applicable.

SECTION ONE: PERSON AND ORGANIZATION PROFILE

1. What is the name of your organization/bank?

2. What is your job role/position?

3. What is your age bracket?

- a) 30 years or below
- b) 31 - 40 years
- c) 41 - 50 years
- d) Above 50 years

4. What is your gender?

- a) Male
- b) Female

5. For how long have you worked for the organization/bank?

- a) 2 years or below
- b) 3 - 5 years
-

c) 6 - 10 years

d) Above 10 years

SECTION TWO: GRIEVANCE HANDLING PRACTICES IN THE BANK

Kindly indicate the extent to which you agree/disagree with the following statements regarding grievance handling practices in the bank. On a scale of 1 to 5 (where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree), please provide your response by ticking the box that best matches your response.

		1	2	3	4	5
6	Staff are confident in raising grievances.					
7	Staff prefer to raise grievances informally rather than formally.					
8	Staff prefer to raise grievances anonymously.					
9	Causes of grievances are adequately investigated before a grievance hearing.					
10	Information is gathered from all concerned parties before a grievance hearing and conclusion.					
11	Staff is given a chance to explain the case and provide related evidence for a fair hearing.					
12	There is transparency and continuous flow of feedback throughout the grievance handling process.					
13	Staff trust the supervisor to effectively handle grievances raised.					
14	There are no discrepancies in handling grievances.					

		1	2	3	4	5
15	Grievances raised are resolved in time.					
16	Grievances are given enough attention and are adequately addressed whether they are raised formally, informally or anonymously.					
17	Both aggrieved and the manager/supervisor engage in direct dialogue.					
18	Grievance handling system is simple and easy to understand and use.					
19	Matters related to grievances are kept confidential.					
20	Supervisors handling grievances have human relation skill.					
21	Grievances are tracked and the aggrieved is frequently updated on the status or progress in every step.					
22	Staff prefer to have a union representation in a grievance hearing.					
23	Union representation in a grievance hearing is adequate and relevant					
24	Union representative is able to table concerns in line with Collective Bargaining Agreement.					
25	Union representative is able to follow through the grievances to conclusion					

THANK YOU FOR YOUR TIME AND COOPERATION!!