

**“DETERMINANTS OF EXPEDITIOUS COMPLAINT
REDRESSAL IN BANKS”**

DISSERTATION SUBMITTED FOR THE DEGREE OF
**DOCTOR OF PHILOSOPHY
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By

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DECLARATION

I, Purva Govind Hegde Desai, do hereby declare that this dissertation entitled “Determinants of Expedious Complaint Redressal in Banks” is a bonafide record of research work done by me under the supervision of Prof. A. Sreekumar, Professor, Department of Management Studies, Goa University.

I also declare that this dissertation or part thereof, has not been submitted by me for the award of any Degree, Diploma, Title or Recognition before.



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CERTIFICATE

This is to certify that the Ph.D. thesis titled "Determinants of Expedious Complaint Redressal in Banks" is an original work carried out by Ms. Purva Govind Hegde Desai under my guidance, at the Department of Management Studies, Goa University.

This dissertation or part thereof, has not formed the basis for the award of any Degree, Diploma, Title or Recognition before.



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Dedicated to the memory of my brother late

Dr. Atmaram (Shailesh) Ramesh Borkar



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ABSTRACT

DETERMINANTS OF EXPEDITIOUS COMPLAINT REDRESSAL IN BANKS

BY

PURVA G. HEGDE DESAI

Worldwide research commends that firms have a pragmatic approach towards redressal of customer complaints. For the firms, investment in complaint handling is a means of avoiding potentially high costs associated with unresolved conflicts (S. Ramnarayan 1984). The urge to blame the customer for failing to understand or pointing a finger at them for being unsophisticated or even ignorant -- is an indulgence no firm can afford (Mark Stevens, 1998). Researchers thus advise the firms, to be grateful to the customers who complained, as they could have just walked away to welcoming competitors. With every complaint, the customer provides another opportunity to serve him better.

Studies throw light on different dimensions of complaint redressal. Some view it as a business strategy, and others reckon it as a procedure of corrective justice. Complaint resolution is defined as "the strategies firms use to resolve and learn from service failures in order to (re) establish the organization's reliability in the eyes of the customer" (Hart, Heskett and Sasser 1990). It is also defined as "a sequence of events in which a procedure, beginning with communicating the complaint, generates a process of interaction through which a decision and outcome occurs" (Tax, Brown and Chandrashekar 1998).

Although research in complaints and complaining behavior has grown exponentially, the area of managerial response to the complaints remained unexplored for long. Few authors like Bitner(1997) Westbrook(2000) have emphasized recently, the significance of studying the determinants of managerial response to complaints. In particular, Westbrook(2000)proposed a research agenda of studying the behavior of the managers in relation to customer satisfaction/ dissatisfaction.

Determinants of complaints in the banks in Goa have been researched by Hegde(1996) who found that the customers' propensity to complain depends on the situational characteristics in banks, rather than customer demographics. Given these findings, the present research is an attempt to unearth the factors that would affect the branch managers' propensity to redress the complaints expeditiously.

The research was carried out in different stages. Three case studies in polar settings of rural, semi-urban and specialized branches provided insight into the process of complaint redressal. These were supplemented by in-depth, open-ended interviews with the branch managers, for comprehensive information on the subject. Critical incidents of complaints were gathered and used in a projective scenario technique to elicit managers' responses to common complaints in banks. The responses were classified as portraying high, medium or low propensities to redress expeditiously, with the help of criteria evolved with the expert opinion. The results of the statistical tests affirmed or denied the relationship between the factors selected for empirical study and the managers' propensity to redress.

Out of the customer characteristics tested, the results affirmed that while assertiveness in complaining positively motivated the speedy response from the

managers, chronic complainers de-motivated the managers. Aggressiveness in complaining did not seem to affect the managers' propensity to redress promptly.

Business considerations dominated the managers' drive towards speedy redress since N.R.I.s received prompt redress and defaulters were scorned at. The branch location or nature, whether rural, semi-urban or specialized did not affect the managers' propensity, and customers complaining directly to higher authorities also did not matter. Another branch being responsible for the delay in cheque collection did not affect the managers' drive for rendering prompt response. However, rigid adherence to rules seemed to stifle the managers' propensity to handle the complaints relating to loan sanctions. The selected demographics of the managers did not seem to have any relation with their propensity to redress speedily.

The research could have practical implications for top-level management. It could help to provide appropriate training and orientation to the managers towards desired behavior, while interacting with the customers. The firm could sustain long-term profitability through a balance between the employee and customer satisfaction.

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CHAPTER I

INTRODUCTION

Background and Significance

With the increasing liberalization of economies, the firms face global competition. In most sectors, the market has turned predominantly a buyer's market. The standards of service thus need a close review, shedding the inertia.

The Banking sector in India, after nationalization in 1961, had a rather complacent pattern of functioning. The marketing department was merely supposed to look after deposit mobilization. Recently, however, Bank Marketing is defined as 'the aggregate of functions directed at providing services to satisfy customers' financial (and other related) needs and wants more effectively and efficiently keeping in view the organizational objectives of the bank' (Bhatt 1991). Bhatt further stated that marketing function, which is now integrated with the operations, has the following concepts:

- The purpose of the bank is to create, win and keep a customer.
- The customer is and should be the central focus of everything a bank does.
- It is also a way of organizing a Bank. The organizational design should facilitate the customers' convenience.
- The ultimate aim of the Bank is to deliver total satisfaction to the customers.

The marketing literature during this period, thus, focused the need for an ongoing and interactive communication with the customers, with the aim of effective Customer Relationship Management. Many authors opined that communications from the customers, especially venting out their dissatisfaction and an appropriate response

strategy from the firm, paved a way for a mutually beneficial long-term relationship. Prahalad (2000) stated that the market became a forum in which consumers played an active role in creating and competing for value. The competence that customers brought, he said, was a function of the knowledge and skills they possessed, their willingness to learn and their ability to engage in an active dialogue. Kraft and Martin (2001) cautioned that many unfortunate outcomes from bad word-of-mouth to sales decreases could be avoided, when businesses encouraged complaints and responded appropriately to them. Tax, Brown and Chandrashekharan (1998) found that the secondary satisfaction from well-handled complaints was significantly and strongly associated with trust and commitment. This provided empirical support for their proposition that complaint handling was closely tied to relationship marketing. Engel, Blackwell and Miniard (1990) stated that there was convincing evidence demonstrating that making sincere effort to rectify problems increased consumer assurance that the firm really cared. Due to this assurance, they explained that satisfaction and intent to repurchase were notably strengthened.

This was also found relevant in the Indian context. Research by Hegde in 1996, in Indian branches of the banks, indicated that majority of the customers, who did not get their complaints redressed, stopped business with the branch. Thus, redressal of complaints seemed to be an integral part of managing a sustained relationship. Although in the U. S., a reference has been made by Jacoby and Jaccard (1981), to complaints made to profit from it, Hegde's study in 1996 of Public sector banks negated this finding in Goa (India). The study maintained that the complaints in banks in Goa indicated an expression of dissatisfaction about an aspect of service, with the expectation of redressal. *Given these findings by Hegde, the present research is an attempt at unearthing the factors that affect complaint redressal in banks.*

Studies on factors affecting Complaining behavior of the customers have been prevalent in the consumer research agenda. East (1996) classified these factors as Expected outcomes, Normative influences and Control factors, i.e. ease of redressal. Jacoby and Jaccard (1981) cited market-related factors, consumer-related factors and situation-related factors as determinants of complaining behavior, besides dissatisfaction. Hegde (1996) found that out of these factors, the situation related factors dominated the complaining behavior in Goa. He also found that service delivery failures had higher potential to generate complaints than service design. Hegde's study thus emphasized a need to explore as to what mechanism at the bank would help the customers to articulate the complaint and empower the lower levels in redressing complaints.

The above findings denote the determinants of complaints from the perspective of the customers. The present study sought to explore from the perspective of the branch managers, the factors at the branches of the banks that affect the complaint redressal. The compulsive need for an insight into the managerial side of the story is emphasized in the contemporary literature. Given below are the views that voice this need...

Westbrook (2000) states: 'where companies need to know what areas of their offerings and operations to improve in order to raise customer satisfaction levels, we study the relationships between satisfaction and subsequent customer behavior. The time has come for CS/D researchers to overcome the "great divide" and begin studying the managerial questions that also comprise the subject of customer satisfaction. Attention to the managerial questions has the potential to illuminate our efforts to develop better CS/D theory at the consumer level. Further, it would lead to the development of new

theory at both macro and micro organizational levels, something we are sorely missing at the present time. It would produce far better grounding of our research in real world issues and problems. It would necessitate closer ties to the business community and help to bring these about, to the advantage of the academy. Finally, I believe it is a matter of our responsibility as scholars of management to understand these application-driven issues, in conjunction with our theories to explain these phenomena. We could embrace both customer and managerial research questions as complementary parts of our research programs in customer satisfaction.

Although others may disagree, I am proposing we adopt a more balanced research agenda in CS/D by adding the following managerial topics: 'The behavior of managers and employees in relation to customer satisfaction or dissatisfaction'.

Bitner, Booms and Mohr (1994) explained the criticality of employers' and in particular, their employees' perspective in the context of flaws in performance. She cited situations in which quality was low and both the firm and the customer recognized the problem, but there was disagreement on the causes of the problem and the appropriate solutions. She quoted a self-serving attribution bias. This bias, she said, would make the employees to blame the system or the customer for the service failure whereas the customer would be more likely to blame the system or the employee. Thus the perspectives of both would differ. She further stated that because the service encounter involves at least two people, it was important to understand the encounter from multiple perspectives. Armed with such understanding, she asserted

that firms were better able to design the processes and educate both employees and customers to achieve quality in service encounters.

Thus, given the necessity for due cognizance of the managerial perspective, the present study sought to investigate the factors that affect the complaint redressal at the banks in Goa from the managers' viewpoint. This would supplement the study by Hegde in 1996, on the determinants of complaints in the Banking sector in Goa, from the perspective of the customers, and could reveal a more comprehensive body of knowledge about the complaints and their redressal in the banks.

The Scope of the Dissertation

The overall objective of this study is to ascertain the factors affecting the complaint redressal at the branches of the banks from the perspective of first level managers. Specifically, the study seeks to understand the factors that inhibit or encourage the propensity of managers towards rendering expeditious complaint redressal. Analysis of the situational factors, along with the demographics of the managers, was aimed at, with a view to ascertain whether they had an impact on the managers' propensity to promptly resolve the customer complaints.

The Research Problem

The study seeks to answer the following questions:

1. What are the factors affecting the propensity of the branch managers in banks to expedite the complaint redressal at branch level? Whether the above factors affect the propensity of the branch managers to expedite the complaint redressal in a positive or negative direction?

2. Which demographic variables, if any, influence the propensity of the branch managers to expedite the complaint redressal?

Plan of the Research

The initial research agenda, in the first stage, comprised of literature review coupled with case studies about the complaints and their redressal at the branches of the banks in Goa. The case studies were proposed at diverse settings: a rural, a semi-urban and a specialized branch in Goa. As much of the literature available is from the U.S. and other countries, the case studies done by this researcher, along with referral of case studies done by Hegde in 1996, could help to match the information from the literature to the findings from the field. Several aspects of the process of the redressal were weighed, to find the nuances that would be of interest to the academicians and the practitioners.

The case studies were later supplemented by in-depth, qualitative, exploratory interviews with the branch managers of the rural and the semi-urban branches of public and private sector banks. Collection of critical incidents about the complaint redressal was also resorted to for understanding the larger spectra of complaints.

In the second stage, after due deliberations, the projection technique was deemed appropriate methodology for empirical testing. The critical incidents formed a part of the structured questionnaires administered to a larger sample of branch managers in Goa. The questionnaire used the projection technique, where the reports of the branch managers were collected on the set of given incidents, representing the common complaints in the branches. The primary data collected from structured questionnaire in the form of responses was suitably grouped and subjected to

quantitative statistical treatment and qualitative analyses. The secondary data was collected from various sources like the Internet, journals, bank bulletins, circulars and the like, which when assimilated with the primary data, provided potent insights.

Organization of Chapters

The dissertation consists of five chapters including the introduction. The outline of the contents of the following chapters are stated below in brief:

The second chapter consists of the literature review and provides the theoretical background for the research.

The third chapter consists of three real life case studies. The broad propositions towards the focal issue of the study are drawn from the case analyses in conjunction with the literature. The findings from the exploratory interviews with the branch managers are used to sharpen the issues and the final research propositions are framed to test their applicability on a wider sample in Goa.

The fourth chapter states the research methodology adopted for empirical testing of the propositions. The details of the critical incidents gathered from exploratory interviews are used in a projection technique in questionnaires, to elicit information on the propensity of the managers towards expeditious complaint redressal. The results of the survey are reported using quantitative techniques. Further qualitative analyses are presented using the results of the quantitative analysis, leading to the contribution of the study.

The fifth chapter summarizes the conclusions and the limitations. The avenues for further research are identified and implications for practice are stated.

CHAPTER II

LITERATURE REVIEW

Literature in the area of complaints has been somewhat fragmented and lacks cohesiveness (Richins 1979). Out of the extant literature, this chapter presents a review of work that provides the necessary background to this research. The concepts are introduced at the outset, with the terminology used by various authors, leading to the definitions adapted and adopted by this study. The relevance of the concepts in the area of complaint management is thereafter elucidated with reference to the various avenues of contemporary research. As the process of complaint redressal primarily involves the buyer-seller dyad, the next paragraphs trace the expectation of the consumers from the process of complaint redressal. An overview of the various modes of redressal available to the customers in India follows, accentuating the critical place of the redressal at the firm level, which is the subject of the present study. Finally the chapter provides appropriate theoretical background for the study.

Complaint Redressal: The Concept

Complaint handling refers to the strategies firms use to resolve and learn from service failures in order to (re) establish the organization's reliability in the eyes of the customer (Hart, Heskett and Sasser 1990). From a process perspective, complaint handling can be viewed as a sequence of events in which a procedure, beginning with communicating the complaint, generates a process of interaction through which a decision and outcome occurs (Tax, Brown and Chandrashekar 1998). It is simply stated as procedure of corrective justice (Ramnarayan 1984). It may be viewed as a

part of service recovery, which refers to actions an organization takes in response to a service failure (Smith, Bolton and Wagner 1999).

A Complaint

A complaint has been defined as an action taken by an individual, which involves communicating something negative regarding a product or service, to either the firm manufacturing or marketing the product or service, or to some third party entity (Jacoby and Jaccard 1981). Resnik and Harmon (1983) treat it as 'overt manifestation of dissatisfaction'. Singh and Howell (1985), as quoted by Shamdasani (1988), define consumer-complaining behavior to include "all non-behavioral and behavioral responses, which involve communicating something negative, regarding a purchase episode and is triggered by perceived dissatisfaction(s) with that episode."

The present study adopts the definitions cited hereunder, as the meaning of complaint handling/ complaint redressal and complaint respectively:

- Complaint handling can be viewed as a sequence of events in which a procedure, beginning with communicating the complaint, generates a process of interaction through which a decision and outcome occurs (Tax, Brown and Chandrashekar 1998).
- A complaint has been defined as an action taken by an individual, which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing the product or service, or to some third party entity, with expectation of redressal (adapted from Jacoby and Jaccard 1981).

These definitions were found suitable for probing into the factors that affect the process of redressal. Viewing complaint handling as 'a sequence of events' could

facilitate analyses regarding the determinants of the outcome. In case of a complaint, it was considered expedient to extend the definition by Jacoby and Jaccard in 1981, to include the words 'with expectation of redressal'. This expression was added in order to exclude any negative communication made merely as a suggestion, from the domain of this study.

Relevance to the Firm

The relevance of complaint redressal to the firm is discussed, under the following broad areas:

- As a defensive marketing strategy,
- For business promotion,
- For employee loyalty,
- Low cost market intelligence,
- Savings on disputes prevention
- Inputs for improvement

Complaint Redressal as Defensive Marketing Strategy

'Defensive marketing is concerned with minimizing customer turnover by reducing customer exit and brand switching. Defensive marketing strategists take the position that satisfaction and loyalty can be restored through effective complaint management' (Halstead 1992). Cost of losing a customer typically outweighs the cost of correcting most errors (Manickas and Shea 1997). Secondary satisfaction arising from complaint handling may build even stronger loyalties than satisfaction with the initial service (Etzel and Silverman 1981). Fifteen percent of all customers who switch product brands do so because a complaint was not handled to their satisfaction

(Michael W. Michelson Jr. 1999). The urge to blame the customer for failing to understand or pointing a finger at them for being myopic, unsophisticated or even ignorant -- is an indulgence no company can afford (Stevens 1998). Hence Barlow (1998), advises that the managers should regard complaints as gifts and the customers who complain, should be profusely thanked for the same.

Complaint Redressal for business promotion

Satisfied customer is termed as free of cost publicity agent of the firm. Satisfaction with complaint handling was found to have a strong relationship with positive word of mouth (Walsh 1996). On the other hand, Andreason and Best (1977) have cautioned that those who voice complaints are activists who challenge the system head on. They point that if the complaints remained unresolved, presumably they would lead the chorus of criticism about the business system and its unresponsiveness to consumers' needs.

Complaint Redressal for Employee loyalty

Research indicates that developing effective recovery programs increases employee satisfaction and loyalty. It is argued that employees faced with a large number of complaints to handle and no effective way to deal with them are likely to be very dissatisfied (Tax and Brown 1998). Thus creating an effective redressal system may need due appraisal of both the customer and the employee requirements. Halstead (1993) advises that, educating front-line personnel on proper techniques for improving service quality and handling customer complaints is the critical first step. She further asserts that the managers should set the tone by educating themselves.

Complaints- Low Cost Market Intelligence

Kasouf, Celuch and Strieter (1995) have elaborated two primary categories of the market information: Firm-initiated and Consumer-initiated. The Firm-initiated market information is said to involve formal market research. The Consumer-initiated market information includes compliments, suggestions, requests for information, and complaints. Complaints were said to represent a major form of unsolicited communication between the customer and the firm. Comparing the two categories, the authors state that the monetary collection costs associated with the complaint information would be considerably less than those associated with the market research. Another characteristic of the firm-initiated information was the organization's high degree of control over individuals sampled and the nature of the information obtained. This being absent in case of consumer-initiated information the credence value of complaints would be higher. However, the authors indicate large disparity in organizational use of market research in favor of complaint information and state that effectively leveraging information for competitive advantage requires that all sources of data germane to a problem be incorporated into the organizational decision process.

Complaint Redressal for savings on disputes prevention

A complaint that is initially ignored as trivial could generate long drawn legal battles. The dissatisfied customer could avail of multiple modes of redressal available to him (described in the section about the modes of redressal, in later paras of this chapter). This would mean severe cost escalation for the firm (Hegde Desai 2003a).

Thus, in consonance with the old adage, 'Prevention is better than Cure'; redressing customer woes at the firm level would be in the best interest of the firm.

Complaints- Inputs for Improvement

Lapidus and Schibrowsky (1994) advise that consumer elicitation based on complaint encounters must be systematically categorized and ultimately synthesized into actionable management strategy. They advocate development of an aggregate complaint handling system in which service dimensions, as perceived by a significant number of consumers falling below acceptable levels, can be identified for modification. The information could be communicated throughout all levels of the organization and could provide guidelines for improving service quality. Thus, addressing complaints pragmatically affects the company's ability to satisfy customers immediately through equitable resolution and on a continuing basis (by adjusting products and procedures to ensure that products meet customer needs). Lame and Dale (1999) have termed the lacunae identified through complaint handling, as Areas of Concern (AOCs). Fornell and Westbrook (1984) caution that isolation of the consumer affairs function and limitation of its activities to case-by-case complaint handling precludes marketing actions to reduce future complaints.

That the complaints have served as the input for management decisions on quality assurance, is reflected in many operational manifestations. It is required that the ISO 9001 certified firms must have a tracking system in place for complaints and their remedy. This indicates that while resolving a problem may help to achieve the loyalty of one customer, using complaint data as input to process improvement contributes to current and prospective customers' satisfaction.

The Expectations of the customers from the Process of Redressal

Encouraging consumers to express their feelings may be perceived as fraudulent if their expressions of feelings do not result in positive response (Nyer 1999). The author further states that providing consumers with a chance to vent or even offering them an apology may not compensate for failure to provide them with a refund or exchange if that is what the dissatisfied consumers desire. What this suggests is that the marketers' response to complaints should be based on an understanding of the complainers' motives (Nyer 1999).

Various researchers have examined the expectations of the customers from the process of complaint redressal with the aim of discerning the customers' motives. They found that the customers have evaluated justice in the process of redressal, using the criteria of outcome fairness, procedural fairness and interactional fairness.

The fairness of the outcome is judged by the customers using mainly the equity theory, which requires the distribution of outcomes in proportion of inputs of the exchanging parties (Adams 1965 as quoted by Goodwin and Ross 1989). Perception of fairness is also influenced by procedures, which regulate the distribution of outcomes (Thibaut and Walker 1975 as quoted in Goodwin, Smith and Verhage 1991). Procedural fairness has been likened to a judicial setting where citizens retain positive regard for these institutions due to a fair process even when they might receive negative outcome in the trials. Bies and Moag (1986) identified the third concept of interactional fairness (Goodwin and Ross 1989). The concept states that interactional style used to obtain information and communicate the outcomes would also affect the perception of fairness. A consumer who receives a rude response from

the firm's representative may believe s/he was treated unfairly regardless of the actual compensation offered.

The further analyses of various elements involved in the three aspects of justice are cited as follows in Table 1:

Table 1- Definition of Justice Elements and Associated Research

Justice Concept	Definition	Dependent Variables
Distributive Justice		
Equity	Provision of outcomes proportional to inputs	Satisfaction, Repurchase intention, Word of Mouth
Equality	Equal outcomes regardless of contribution	Satisfaction, Social harmony
Need	Outcomes based on requirements regardless of contribution	Satisfaction
Procedural Justice		
Process control	Freedom to communicate views on a decision process.	Satisfaction, Commitment.
Decision control	Extent to which a person is free to accept or reject a decision outcome.	Satisfaction, Relationship investment.
Accessibility	Ease of engaging a process.	Satisfaction.
Timing/Speed	Perceived amount of time taken to complete a procedure.	Anger, uncertainty, satisfaction, service quality.
Flexibility	Adaptability of procedures to reflect individual circumstances.	Market orientation, Satisfaction.

Interactional Justice		
Explanation/Causal account	Provision of reason for a failure.	Attribution for failure, Satisfaction, Fairness.
Honesty	Perceived veracity of information provided.	Satisfaction (complaint handling).
Politeness	Well-mannered, courteous behavior.	Complaint evaluation, Repurchase intention, Satisfaction.
Effort	Amount of positive energy put into resolving a problem.	Anger, Satisfaction, Trust.
Empathy	Provision of caring individual attention.	Service quality, Satisfaction.

(Source: Adapted from Tax, Brown and Chandrashekhara 1998)

In the context of the present research in the banking industry, the expected outcomes of the complaints are fairly well defined. These are often governed by established rules. The bankers provide outcomes within the set of rules over which they have little control. Examples may be that of compensation in the form of interest for the delay in realization of cheques. Hence the expectations of the customers in this industry may tend more towards the elements in procedural and interactional fairness. A Study in Indian Context, undertaken by Verma and Kaur in 2001 in passenger car industry, has revealed useful insight on the expectations of the customers from the process of complaint redressal. They tested the expectations of the customers towards distributional, procedural and interactional justice in two major market shareholders; Maruti Udyog Limited (MUL) and Hindustan Motors Limited (HUL). The study was

conducted in Delhi. The following table denotes the responses received from the customers:

Table 2: Response Expectations of Car Users of MUL and HML

Car User's response expectations	MUL(%) (N=279)	HML (%) N=116)
Product would be replaced	3.2	0
Parts and features would be replaced	66.3	48.3
Service would be provided free of cost to compensate for what could not be replaced	29.4	18.1
Monetary compensation for the problems	16.1	1.7
Quick response to complaints	99.6	98.3
A polite response to the complaint mentioning the reasons why it could not be attended to	52	65.5

The above table clearly shows that almost 100% Indian customers rate quick response to complaints as their expectation from the process of redressal. The possibility of the results being applicable to banking industry could be high as the industry deals with monetary services. The paucity of income in India could magnify the gravity of the complaints to the customers and raise the demand for urgent redressal.

The above study also revealed that the car owners were willing to forgo a part of the distributive justice in favour of a quick and polite response to their complaint. The results showed that the expectation of procedural justice, in the form of quick response to the complaint, was significantly higher than the expectation of distributive

justice in the form of free replacement of parts and features, monetary compensation and free service.

Likewise, it is noteworthy that in the above study, the procedural justice was represented by 'Quick Response to Complaints'. This was based on informal interviews of car users besides a questionnaire administered to them. Thus 'Speed of Redressal' seems to be the factor demanded the most by the customers in Indian context, out of all the elements of justice.

The above study in Indian context validated the findings in Western literature about the speed of complaint redressal. Smith, Boston and Wagner (1999) asserted that perceptions of procedural justice are higher when recovery is speedy. Gilly 1978 cited many authors, (Brock 1974, Fennessy 1972, Schwartz 1973), who stated that speed of response is an important aspect of the company's complaint resolution. They cautioned that when complaints are resolved quickly, expectations will be more likely to be met or assimilated with the results while a slow complaint resolution will be likely to result in contrasting complainant's expectations and results.

Goodwin, Smith and Verhage (1991) explained that in situations of service failures, harm done by the original problem is compounded by the requirement of a wait, and equity calls for even greater restitution. They quote the findings of following researchers to demonstrate the effect of waiting on the customers in the banks: 'Clemmer and Schneider (1989) found that customers were especially dissatisfied with waiting time when tellers appeared idle.' 'Larson (1987) reported that bank customers became irritated when tellers appeared idle, although the transaction time was less than when tellers appeared busy.' Goodwin, Smith and Verhage (1991) thus suggest communicating the functional nature of wait (necessitated due to provider's

need) rather than the ceremonial (emphasizing higher status of the provider), if the delay is inevitable.

The above findings indicate that given the near 100% consumer demand for the speed of redressal in Indian context, it would be pivotal for the firms to motivate their first level managers to provide quick resolutions. This could help to alleviate the adverse impact of delays on customers' psyche, which is discussed hereunder.

The Impact of the Delay

The research affirms that delays influence affective response through their effect on perceived waiting time. Katz, Larson and Larson (1991) found that perceived waiting time in lines was negatively correlated with service evaluation. Taylor (1994) found that delays not only resulted in lower evaluation of service performance but also increased negative affective responses such as anger. Both perceived waiting time and affective response to wait have been shown to be affected by variables associated with service environment, such as music, that can mitigate or enhance the impact of the delay (Kellaris & Kent 1992).

Hui, Thakore & Gill (1998) elucidate the effect of Delay Type and Service Stage on Consumers' Reactions to Waiting. The authors considered two types of delays. The procedural delays are those that are perceived as routine, such as waiting in line or waiting for a dish to be served. The correctional delays are those, which are atypical, the example being that of a flight grounded because of a mechanical failure. They also cite the sunk cost effect; people who have spent more time and effort in the task should exhibit stronger commitment to, and higher anticipation of, goal attainment. They point out the salience of sunk cost on correctional delays. They

conclude that correctional delays produce more negative impact during the in-process stage, whereas procedural delays produce more negative impact at pre-process stage.

The delays in handling consumer complaints typically form correctional waits that frustrate the customer. The consumer did not ask for a situation that prompts him to complain and would certainly be angry at delays in redressing his woes (Hegde Desai 2003b). *Hence the delay in handling complaints would produce a more negative impact during the in-process stage. This points to the need of reducing the duration and the resultant delays. Towards this end, it would be critical for the firms to know the factors, which affect the propensity of the managers to expedite the process of complaint redressal, in both positive and negative direction.*

Research findings cite relation between time of resolution and features of complaints resolved. Complaints that are resolved quickly are probably simpler and more objective in nature, thus more likely to be resolved in the customer's favor; complaints that take longer to resolve may involve factual disputes that are less likely to be resolved to customer's satisfaction (Hogarth & English 1997). The customers not satisfied with the firm's redress, may then avail the option to seek recourse with the external modes of redress, discussed below, which could prove exorbitant to the firm along with undesirable negative publicity.

Modes of Redressal

Two modes of redress are available to Indian customers: complaint to the firm itself or to the third party. With third party, it could be a legal redress or a semi-legal redress such as arbitration, or protection under Consumer Protection Law. In U.S.A.,

private agencies, such as Better Business Bureaus play an important role in the process. In India, this recourse is not available.

In the banking sector in India, on the recommendation of the Indian Banks' Association, using the powers given to it under the Banking Regulation Act, 1949, the Reserve Bank of India introduced the Banking Ombudsman Scheme in 1995. The scheme empowered the RBI to act as an arbitrator and give directions to the banks on receipt of consumer complaints. However, before filing a complaint with either the Banking Ombudsman or the District Consumer Dispute Redressal Forum under the Consumer protection Act, 1986, the customer concerned must have made at least one representation to the bank previously, which has not redressed the grievance properly (Citizens' Charter, Corporation Bank, 2001).

A study conducted in the state of Goa showed that during the four-year period from 1995 to 1999, only 41 complaints were filed against nationalized banks with the District Consumer Dispute Redressal Forum under the Consumer protection Act, 1986. Of these, relief was granted in just six cases (Daniel 2000). Thus, due to the constraints of time and resources, normally both the customer and the firm in India would prefer to quarrel directly with each other. For the customer, seeking redress with the firm would be the easiest, quickest and the cheapest mode of complaint resolution. For the firm, handling complaints would always be a win-win situation; the reassured customer would be the most convincing promotion agent. An effective redress could thus be viewed as a golden handshake for both, the firm and the customer. Literature on product related complaints, also indicates that the first attempt to obtain a remedy for dissatisfaction is almost always directed at the retailer from whom the unsatisfactory product was purchased (Thomas & Shuptrine 1975, Gronbaug 1977 as quoted in Richins 1979). The study on credit cards by Hogarth

and others in 2001 in United States showed that 82% customers complained to the seller (Bank or the Credit Card Company). 11% were said to engage in private action (complaining to friends and family or exiting without any other activity) and 7% reported to some third party (a Better Business Bureau; a federal, state or local agency; a lawyer; or court).

Thus, given that the customers seem to be more likely to complain directly to the firm, it could be prudent for the firms to resolve the complain expeditiously, by appropriately orienting the managers towards desired behavior. *The knowledge about the factors that affect the propensity of the managers to expedite the complaint resolution could help the firm to suitably motivate the managers, to reinstate the cordial relationship with aggrieved customers. This could prevent the escalation of complaints into major grievances, thereby achieving synergy between the customer and employee satisfaction.*

Theoretical Background to the research

Attribution Theory: Consequences of causal attributions

Folke's research in 1984 stated that customer's response to the situation of service failure depends on the attributions he/she makes. She clarified these in the following features:

1. Locus of Causality (internal or external) - The purchase outcome can be attributed either to the consumer (internal) or to the marketer or something in the environment or situation (external).

2. Stability (stable/permanent or unstable/temporary) - Stable causes are thought not to vary over time, while unstable causes are thought to fluctuate and vary over time.

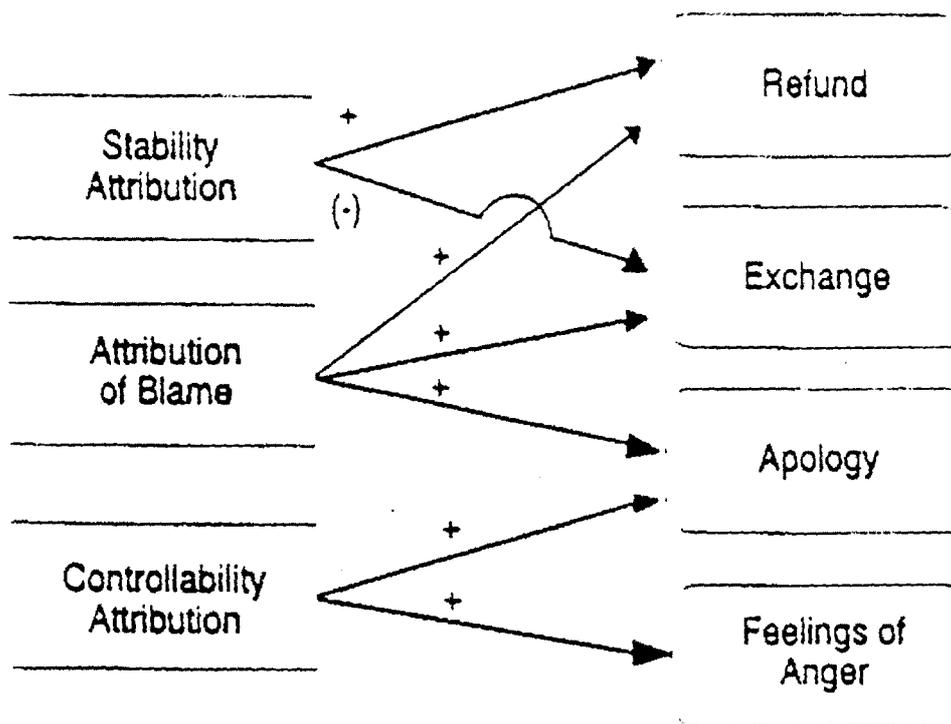
3. Controllability (volitional/controllable or nonvolitional/constrained) – Both, consumers and firms could either have volitional control over an outcome or be under certain uncontrollable constraints.

Folke asserted that locus of cause influences market equity reactions. She explained that most marketing transactions involve exchanging the customer's money for a promised benefit. Customer is said to complain when he perceives inequity or the benefit being disproportionate to the cost. Hence the consumer would expect refund and apologies towards restitution, in case of external attribution.

Folke stated that causal stability influences expectancy reactions. Upon experiencing dissatisfaction with a product, a consumer then makes a judgement as to whether a similar type of problem will recur, when patronizing that retailer in the future. He would ask for a refund if he believes the cause to be stable and would accept an exchange if he believes it to be temporary.

Regarding controllability, Folke found that consumers, who perceive that the seller could have prevented the problem, but did not take the necessary precautions, are more likely to be angry and hence want to hurt the offending company. Thus locus and controllability are said to influence anger reactions.

Figure 1
- Summary of Folkes' (1984a) Findings



Note: In Folkes restaurant example, asking for a refund implies exit.

Source: Blodgett and Granbois(1992)

The present study seeks to study the consequences of attribution with regard to the employees' perspective, in particular, those of the first level managers. Just as the causal attributions by the customers have influenced the customers' behavior, this

study sought to know whether they would also influence the managers' behavior. The causal attributions by the managers could vary their propensity to respond to the situations of complaints. The external locus such as attribution of the fault to the customer, could influence the managers' perspective about the restitution, if any, due to the customer. Stability could affect the expectancy; for example, if the customer is perceived as a chronic grumbler, the managers could expect him to complain again, whether or not his complaint is handled promptly. The controllability could affect the situation when they especially blame the system, which makes them helpless even if they want to accommodate the complaining customer. Such attribution could dampen the managers' propensity to render expeditious redressal to customer complaints.

The present research is, thus, an attempt to identify the customer and the systems characteristics that would affect the bank branch managers' propensity to expeditiously redress the customer complaints, as viewed from the managers' perspective.

CHAPTER III

CASE STUDIES AND RESEARCH PROPOSITIONS

This chapter presents three case studies, selected with the purpose of observing the process of complaint redressal in polar settings, at Semi-urban, Rural and Specialized branches of banks. The case studies of complaints with extended process of redressal were preferred for observing the factors that affect the time taken for the redressal. These were chosen after perusing the cases of complaints across many banks and discussions with various branch officials. After the section on case studies, across case analyses and analyses in context of literature is presented, to arrive at the research propositions. Besides the case studies, it was felt that a broader overview of the factors affecting the managers' drive for speedy redress could be obtained by some in-depth, exploratory, qualitative interviews with the branch managers. Hence, the case studies were supplemented with the interviews with the branch managers with the help of an open-ended questionnaire. The factors generated from the interviews are presented subsequent to the case analyses. After screening with pertinent criteria, the final factors selected for empirical testing and their a-priori classification is stated. Operational definitions used in the present research are stated next. The chapter ends by illustrating a model to be tested empirically, of the factors affecting the propensity of the managers for providing expeditious redressal to customer complaints.

CASE 1- The Case at a semi-urban branch

- **The event**
- **The branch profile**
- **The role of zonal office**

The event

Mr. Avito Afonso, working on board the ship, had been an old customer of the Margao branch of a nationalized Bank, having savings and fixed deposit accounts with them. On 15th May 2000, he deposited a cheque for Rs.2,30,000/- dated 12th May 2000 in his savings account. The cheque was drawn on the Mumbai branch of the bank by the Seamen's Provident Commissioner, Mumbai.

Mr. Afonso paid several visits to the branch thereafter to inquire whether the proceeds of the cheque were credited to his account. Every time he got a negative reply. Mr. Prabhu was the manager of the Personal Banking department, which looked after savings and fixed deposits accounts in the branch. After Mr. Afonso's visits, he started telephonic inquiries with their Mumbai branch. Twice they assured that they would look into the matter. Mr. Prabhu also inquired with the courier service whether the instrument was delivered on time. The courier service submitted the necessary documents as the proof of the delivery. The delivery being confirmed, the branch then started written correspondence with the Mumbai branch stating the confirmation of the delivery by the Courier Service. Meanwhile, it was already the end of June and the branch intimated their higher authorities, the zonal office, about the incident by a letter dated 30th of June. It was a routine to inform the zonal office about complaints not resolved for a long period, namely three weeks to a month.

Within the region, normally the officers themselves would sort out matters, as they personally knew each other. The zonal office intervened in sorting out the matters, especially dealing with the branches outside the region. At the zonal office, the officer in charge of handling the complaints actively pursued the complaint along with the branches involved. The Mumbai branch then admitted to the zonal office authorities that the instrument had been lost at their branch. They blamed it on the mess due to computerization, which was in progress at that time. The zonal office forwarded this information to the Margao branch.

Mr. Prabhu had been in touch with Mr. Afonso, telling him that the matter was being looked into, at the Mumbai branch. On 5th July, Mr. Prabhu gave a written intimation to Mr. Afonso. It said that the instrument was lost and asked whether he could procure a duplicate cheque from the Authorities after sending a 'stop payment' advice to the bank for the earlier one.

On 6th July, Mr. Afonso handed over to the counter staff a brief letter of complaint about not getting a credit for the cheque deposited. The staff at the counter passed on the letter to Mr. Prabhu who had been following up the case all along. The letter only stated that he had not received credit for the cheque deposited, for a long time and that the proceeds should be urgently credited to his account. Mr. Prabhu filed the letter.

On 7th July, however Mr. Prabhu was quite surprised to receive from Mr. Afonso, a copy of a complaint letter addressed to the Chairman of the bank. It was a detailed complaint, which stated the facts of the case and besides, also expressed anguish over the way it was being handled. He stated that upon inquiries, the staff showed lack of courtesy by giving evasive answers like postal delays. They gave him a feeling of being responsible for the incident and he was indignant about being asked

to obtain a duplicate cheque. He further stated that he had entered into a property deal, relying on the proceeds of this cheque and was under great pressure from the person whom he had promised to pay. He wrote that he was astonished at the step- motherly treatment given to him inspite of being a holder of sizeable deposits in the bank.

Mr. Prabhu wondered what could have gone wrong in handling the situation. The customer had not given him any idea of his feelings and instead had directly complained to the chairman with a long story. After pondering over the matter, he felt that the curt letter in which the branch had asked Mr. Afonso to obtain a duplicate cheque was the culprit that had enraged the customer. Mr. Prabhu inquired of Mr. Afonso the reason to write such a letter to the Chairman. He replied that his sons and relatives had advised him to do so.

The letter traveled from the chairman's office to the managing director who sent it to the head office at Mumbai. From there it was sent to the zonal office in Goa and was forwarded by them to the branch. It reached the branch on 18th July. It had certain remarks on it, presumably entered at Mumbai, that the lack of courtesy was very bad. It was accompanied by a printed circular, which said that a complaint should be acknowledged and solved within two weeks.

In the meantime, the Margao branch had telephonically informed the P. F. Commissioner's office the facts of the lost instrument and had asked whether a duplicate one could be issued. The first reply from them was that a duplicate cheque could be issued only in the event of the old one being time barred i.e. after six months. Then the Officials from the Mumbai branch personally approached the P.F. Commissioner's office and managed to obtain a 'stop payment ' advice from the Commissioner with an authority to credit the proceeds to the account of Mr. Afonso. On the basis of this authority, which was sent to the Margao branch, the Margao

branch credited the proceeds to the account of Mr. Afonso, on 18th July, the same day when Mr. Afonso's letter of complaint was forwarded to them. The branch also credited an extra amount towards interest for the delayed payment at the rate of 6%, which was 2 % above the prevalent rate of interest for a savings account. It was a normal redressal in such delays, to credit interest for the delay after an initial period of 14 days.

Mr. Prabhu then informed Mr. Afonso that the proceeds of the cheque were credited to his account. On Mr. Afonso's visit to the branch, Mr. Prabhu courteously explained the efforts of the officers in resolving the issue and the credit of the extra amount towards interest. He assured the customer of good service in the future. Thereupon, Mr. Afonso gave a letter dated 3rd August, stating that in view of his good relations with the staff of the Margao branch, he had withdrawn his complaint as he was satisfied that the delay in realisation was not due to the fault of the Margao branch. The letter was addressed to the Chairman of the bank. Mr. Prabhu then informed the zonal office about the withdrawal of the complaint, along with the copy of Mr. Afonso's letter addressed to the chairman, so that they could close the case at their end. Mr. Afonso did not withdraw the amount. Instead he kept it as a fixed deposit.

Mr. Prabhu was quite happy that the customer had given a letter withdrawing the complaint. He felt that the customer was only temporarily agitated about being asked to obtain a duplicate cheque from Mumbai for no fault of his, and had written to the Chairman in a temporary fit of anger upon the advice of his sons and relatives. According to Mr. Prabhu, the elaborate letter of complaint, which mentioned the lack of courtesy of the staff or the urgency due to a property deal, was just written to magnify the seriousness of the delay. Mr. Prabhu regretted that the single folly of that

curt letter to Mr. Afonso initiated a complaint against the branch to the Chairman, when in fact the branch had acted expeditiously in resolving the matter. All the same, he felt that he had succeeded in normalizing the relations with Mr. Afonso, who had therefore withdrawn the complaint and continued banking with the branch as usual.

The Branch Profile

The Bank

The nationalized bank is one having a very large branch network, with a diverse product portfolio. Its Annual Report highlighted a growth in profit and reduction of non-performing assets over the previous years. Its leadership in banking had been credited to a strong brand name, large customer base and extensive network by the Chairman. He emphasised relationship banking to build and nurture lasting customer relationship. The Annual Report accorded top priority to improvement of customer service at branches. It stressed on the identification of deficiencies through customer complaints and customer relations programs. It also stated that the bank had a suitable mechanism for expeditious complaint redressal.

Margao branch in the Goa region

The Margao branch of the bank was one of the first few branches started after the liberation of Goa from the Portuguese rule. This early bird advantage coupled with a variety of functions has made it one of the largest branches of Margao.

The Assistant General Manager, who is the branch manager of the Margao branch, has four major departments under him in the branch. The four departments are Personal Banking Department, Commercial & Institutional Department, Small Industries Business Department and Accounting Department; each headed by a

manager. Commercial & Institutional Manager looked after large advances and Small Industries Business Manager looked after the loans to smaller business entities. Mr. Prabhu, the manager of the Personal Banking Department, looked after Savings and Fixed Deposits.

Customer Service

The branch had been recently renovated and totally computerized. This modernization was considered as an essential prerequisite for good customer service in the wake of the growing number of transactions. The staff was being trained in marketing and canvassing for deposits, which was not considered important in the past. The branch was thus gearing up to face competition from the private sector. Various measures were taken to provide efficient service. The measures included formation of a Customer Service Committee akin to a quality circle, which conducts quarterly meetings with selected customers and receives their suggestions. Separate meetings were held with selected Non Resident Customers for giving them extra attention. The measures also included data collection through a feedback form from a sample of customers to be sent to the zonal office for analyses. Each department of the bank had to maintain a complaint register with a perforated portion, for the acknowledgement of the complaint, where the customer's complaint could be recorded in triplicate so that a copy each could be given to him and sent to the zonal office.

The register at the Personal Banking Department was, however not in the prescribed format. It had no perforated section and was not updated. The case of Mr. Afonso was not entered into it. The staff at the branch normally acknowledged the

complaints only on the duplicate copy brought by the customer. The register would be updated when the Branch Inspectors were due to visit the branches.

Each of the four departments held a quarterly meeting with selected customers. But the response received was cited to be quite poor. The 15th of every month was earmarked as a day when the officers would prioritize receiving of any complaints. However, there was no measure to make the customers aware of this at the branch.

The procedure of complaint was not very formal. The customer could complain orally to the concerned manager. Alternately, the customer could drop a written complaint in a suggestions/complaint box at the branch or hand over a letter stating therein his complaint to any of the staff. The complaint box was normally opened once a week.

The counter staff then reported the complaint to the manager of the department to which the complaint pertained. The manager solved the problem to the satisfaction of the customer and collected a letter of satisfaction from the customer. The case was then closed. If the complaint was not solved within three to four weeks, the zonal office at Panaji was informed, which then helped in the resolution of the complaint.

It was the Branch Manager's experience that more complaints arose in the personal banking department especially in the areas like delay in the collection of the outstation cheques, foreign remittances etc. When a cheque was sent for realization to another branch of the same bank, the receiving branch sent a realization advice to the sending branch. There were frequent delays in receiving the realization advice from the outstation branches by the ordinary post. On the other hand, if a cheque was sent to another bank for collection, the other bank sent the proceeds by a demand draft by registered post. Frequent delay was noticed also in the receipt of such drafts. If the

delay was beyond fourteen days, then the bank had to pay interest to the customer at a rate, which was two percent more than the normal applicable rate. Although the circular mentioned the above provision, it was not a part of the software. It had to be manually worked out and credited to the accounts.

The zonal office had recently introduced a new system called Goa Clearing at the branches in the Goa region for the expeditious credit of the cheques drawn within Goa region. Accordingly, the cheques drawn on any banks in Panaji and those drawn on the branches of the same bank in Goa were sent to Panaji for clearing through a central monitoring cell at Panaji. This ensured the credit to the customer's account within four to five days.

Role of the Zonal Office

At the zonal office there were three officers looking after the complaints received, one each for Region One and Region Two. The third officer looked after the complaints at the bigger and special branches that were not in Regions One or Two. The third officer, Mr. Fernandes, had handled the case of Mr. Afonso. The work profile of Mr. Fernandes included follow up of any complaints against the branches published in the newspapers and sending monthly/quarterly returns to the higher authorities about the unresolved complaints. He checked the classification. (See Annexure A for the classification details). The officers handled other matters also, such as general banking and staff issues.

After receiving the letter dated 30th June from the Margao branch about the delay in realisation of Mr. Afonso's cheque, Mr. Fernandes spoke to the officer at the Mumbai branch over the telephone to expedite the matter. He also wrote a letter

addressed to the Branch Manager of the Mumbai branch to send the duplicate realisation advice to the Margao branch, even if the original had been sent earlier. He further directed him to expedite matters to avoid further annoyance and payment of huge overdue interest.

As the reply from the Mumbai branch was not forthcoming, Mr. Fernandes once again wrote a Demi-Official letter to the Branch Manager dated 14th July. The Demi-Official letter was the one that was addressed to the branch manager by his name and was written in a personal style. It would reach him directly and not through any other staff. The letter expressed the embarrassment faced by the Margao branch and its vulnerability of being dragged into the Consumer Forum. Mr. Fernandes also phoned and advised the Mumbai branch to take up the matter with the P. F. Authorities.

After Mr. Fernandes received the complaint letter addressed to the Chairman from their Mumbai Head Office, he wrote a letter to Mr. Afonso on 19th July acknowledging his complaint and expressing regret over the inconvenience caused. He said in the letter that the staff at the Margao branch was directed to be polite in the future.

After learning that the Margao branch had credited the proceeds to Mr. Afonso's account, Mr. Fernandes wrote a letter to Mr. Afonso dated 25th July apologizing for the delay and lack of courtesy shown to him. He urged that the stray incident should not sour the relations and requested him to continue patronizing the bank.

Mr. Fernandes then informed the higher authorities in writing, after receiving a communication from the Margao branch about the withdrawal of the complaint and closed the case at his end.

ANNEXURE- A

Classification Scheme as per the statements sent by zonal office:

1. VIP Complaints: Complaints received from R.B.I., M.P., M.L.A., State/Central Directorate of Public Grievances, Banking Ombudsman, Consumer Forum, and Depositors' Association.
2. Complaints received from N.R.I.s and pertaining to N.R.I.s
3. Nature of Complaints:
 - a) Delay in collection
 - b) Delay in remittance
 - c) Non receipt of statement of account, complaint regarding Pass Book
 - d) Complaints connected with insurance of duplicate drafts
 - e) Difficulties of opening/operating accounts
 - f) Complaint of transfer of accounts
 - g) Non payment of regular TDR interest
 - h) Non Compliance of Standing Instructions
 - i) Complaints associated with deceased accounts
 - j) Complaint against working of cash department
 - k) Complaint of staff misbehavior including allegation of frauds
 - l) Miscellaneous complaints
4. Age wise breakup
 - a) Less than one month
 - b) One month and above but less than two months
 - c) Two months and above but less than three months
 - d) Three months and above

CASE 2- The Case at a Rural Branch

- **The Branch Profile**
- **The facts of the case**

The Branch Profile

The Nationalized Bank

The Bank can be described as one of the large nationalized banks in India with a wide branch network. It was a leading bank in terms of size and profitability at the all India level after nationalization. However, as the competition increased, the bank's position slipped gradually and the Non Performing Assets (NPAs) rose. The Bank did have some achievements to its credit over a period of time. These include an increase in the business per branch and per employee and computerization of 70% of the bank's total business. A detailed Long Term Perspective Plan-Vision 2005 has been worked out, mainly to achieve growth, broaden the range of services and bring down the level of NPAs.

The Rural Branch in the state of Goa

The Bank has 22 branches in Goa out of which 15 are rural and 7 are semi urban. Many of its rural branches are located in places with high proportion of Non Resident Indians (NRIs). The branch in the instant case is located in one such rich little village with approx. 12,000 population. It had noteworthy deposits of Rs. 19 crores and advances of only around Rs. 70 lacs, thanks to the wealth flown in by the NRIs.

Like most rural branches, the number of staff at this branch was barely adequate to handle this business. The number reduced further due to the Voluntary

Retirement Scheme of the bank. There were three Officers including the branch manager, three clerks including the teller and three sub staff. The branch had not been computerized, but some spadework was being done in this respect. Meanwhile all the work was manually done with minimum staff. Hence like all rural branches, Thursday was a non-banking day to complete pending internal work. The branch had to its credit the achievement of being adjudged as the Best Branch in the rural category in the Mumbai zone of the Bank among approx. 30 branches for 1999-2000.

The facts of the case

The Concerns of the Branch Manager

The branch manager, Mr. Chatterji, was proud of this achievement. At the same time, he was worried about keeping up to the mark. He faced acute competition due to the branch of another nationalized bank, just two kilometers away. The other Bank had started giving 1% more interest on one yearly deposit and Mr. Chatterji was finding it difficult to stall the flight of his deposits. He had informed his higher authorities, the Assistant Regional Manager at the Regional Office at Panaji, about this problem. However, the Regional Office was helpless in this matter as the rates were decided at the highest levels in any Bank, subject to a ceiling rate prescribed by the Reserve Bank of India. Each bank then decided the internal rates on its deposits as per the time for which they were held, i.e. 8% for one year, 9% for two years and so on. His other anxiety was the staff shortage created by the Voluntary Retirement Scheme.

The Voluntary Retirement Scheme had created a lot of problems to the branch managers.

- It had suddenly taken away the staff at the branches with no clues to cope with the workload. Ideally, the scheme was supposed to be supplemented by computerization. However, the computerization was delayed and the synchronization did not happen.
- The scheme had been introduced together, for the officers and the subordinate staff. This lack of vision on the part of the higher authorities had created an imbalance in the officer-clerk ratio. In the instant case, one clerk had availed of the facility. This had created a shortage of clerks, resulting in officers having to do the clerical work and also examine the work done.

As the branch was predominantly deposit oriented, the customer service was the focal requirement of the branch to retain and expand its business. With the paucity of dealing hands and no computers to his rescue, Mr. Chatterji felt pressured to attend to the demands of the customers. In the banking industry, the day's transactions had to be recorded and tallied with the cash balance. The staff could not leave the branch premises unless this was completed. He coaxed his staff to cope with the work and he himself put in hard work.

Though the board outside Mr. Chatterji's cabin indicated the availability of the branch manager on the 15th of every month between 3 p.m. to 5 p.m. to meet customers, he claimed that he always welcomed customers to speak to him at any time. It was also mentioned on the board that if not satisfied with the redress of complaints, the customer could contact higher authorities at the regional office at Panaji. The address of the regional office was given.

Mr. Chatterji felt that by thus being receptive to public grievances, there would not be any grudge against his branch. To cite an example, he devised a format

to inform NRI customers about the receipt of funds. This was in response to the oral complaints about the lack of intimation of the receipts. Despite his concern, the procedural formalities often escaped his attention. The complaint register that he maintained was not in the format prescribed by the Reserve Bank of India, and it had 'Nil Complaints' written against every year, up to 1994. After 1994, nothing was written on the register.

The Demand Draft from Hyderabad

The branch manager Mr. Chatterji came on transfer from U.P. to the branch in Goa. He assumed charge of his office on 26th May 1999 and proceeded on leave, as he wanted to shift his family to Mumbai. He left for Mumbai after applying for leave for fifteen days. Mr. Gaonkar, an officer of the branch was functioning as the branch In Charge, in his absence. In the first week of June, he received two demand drafts from the Bank's Hyderabad branch. The drafts favoring the customers, Mr. Remy Colaco and his brother, Mr. John Colaco, were for Rs. 24,958/- and Rs.24,846/- respectively. The covering letter stated that the drafts were sent on instructions from Greece.

The Colaco brothers had savings accounts with the branch. They were customers for the past five years and used to have moderate balances (less than Rs.5,000/-) in their savings accounts.

As Mr. Gaonkar scrutinized the drafts, certain discrepancies came to his notice. As per rules, upon issue of every draft, the issuing branch was supposed to send an advice to the receiving branch. However, no advice was received from the Hyderabad branch for these two drafts. Further, the rules required that the demand drafts with amounts above Rs. 5,000/- should have signatures of two officers, along with their names and index numbers given to them by the bank. Every branch had a

book with specimen signatures of all the officers of the Bank, which they used to verify signatures on drafts. The draft favoring John Colaco did not contain the index number of one of the officers, who was a signatory to the draft. Hence, one signature could not be verified.

Mr. Gaonkar forwarded the draft favoring Mr. Remy Colaco to the clerk for crediting. The amount was credited to his Account on 8th June. Mr. Gaonkar felt very hesitant to credit the proceeds of the second draft since the signature could not be checked. 'These days there are so many cases of frauds involving drafts!' he told himself, 'Why should I take the risk?' 'If the draft is found fraudulent, I'll have to replenish the amount from my own pocket!' He kept the draft in his drawer and sent a letter to the Hyderabad branch to confirm having issued the draft.

'Once I receive the confirmation from the Hyderabad branch, then there is no risk in crediting the amount to John's account!' he thought, and started attending to his other duties.

The Dilemma of the Branch Manager

On 12th June, Mr. Chatterji resumed charge. He started closely looking into the position of the branch with the help of various documents. Mr. Gaonkar briefed him about the overall functioning. The case of the draft from the Hyderabad branch was also brought to his notice. He asked Mr. Gaonkar whether the Colaco brothers often received such remittances. Mr. Gaonkar replied in the negative. 'They normally do not have large balances to their credit,' Mr. Gaonkar told Mr. Chatterji, 'one of them might have recently gone abroad'. 'Why don't we send another reminder to the Hyderabad branch?' Mr. Chatterji asked Mr. Gaonkar. Mr. Gaonkar agreed and sent

another letter to the Hyderabad branch on 21st June in the printed format that was generally used for correspondence about the drafts.

Each officer had an index number allotted to him by the Bank, which would normally be recorded below his signature. This facilitated the checking of the signature of any officer. Mr. Chatterji had marked these points on the printed reminder sent to the Hyderabad branch and also added that the advice of the issue had not been received.

Mr. Chatterji was rather apprehensive about not crediting the draft for so long to the party's account. The draft dated 26th May had not been credited till mid June. He looked at the covering letter accompanying the draft. The Hyderabad branch had mentioned that it was a foreign telegraphic transfer worth US \$585 converted into Indian Rs. 24,921/- @ Rs. 42.60. Commission of Rs. 50 and postage worth Rs. 25 were deducted which left the amount of Demand draft to Rs.24,846/-. He pondered over the matter. He empathized with Mr. Gaonkar's worries, as one of the signatures on the draft could not be identified on the bank's signature book. Moreover, the Hyderabad branch had been careless and did not give the index number of the officer below his signature.

Had he asked the proceeds to be credited inspite of these defects, he faced a risk! The risk was that in case the draft was fraudulently issued, then the officer, who had checked it, could be made to pay the amount. The higher authorities merely asked the branch officials to exercise their judgement in such matters. 'Personally I might have taken the risk but I cannot ask Mr. Gaonkar to do that. What is the guarantee that we, at the branch will be protected in case of fraud!' he told himself as he started attending to other pending work.

The Customer

Meanwhile Mrs. Vita Colaco, wife of Mr. Remy Colaco visited the branch a couple of times to inquire whether her husband's account and her brother in law's account had been credited with the remittances. Her husband had told her over the telephone from Greece that he had sent money from abroad to the credit of the account of his brother and himself. He had asked her to check whether they had been credited to the respective accounts. Upon her visit in May and early June, the clerk on the counter informed her that nothing was credited. She spoke about this to her husband over the phone.

The Letter of Complaint

Agitated, Mr. Remy Colaco decided to write to the Regional Manager of the Bank at Panaji, Goa. In his letter dated 21st June from Greece, he gave the details of his account number and that of his brother with the branch. He stated that he had remitted a total of \$1200 (US dollars) from abroad vide allotments dated 20th April and 14th May 1999 to the credit of his own account and that of his brother, but had not received the credit till date. He wrote that he had inquired with his shipping company and they had informed him about the dispatch of the amounts. He had also found out that his other colleagues holding accounts in various other banks had already received credit for the same. Only his family had received a negative reply. He further wrote that it was quite a shame for the Bank and for such delays in the future, he would consider closing his account with the branch.

At the Regional Office

Mr. Vaidya, the Assistant Regional Manager, was in charge of complaints. Mr. Vaidya had wide experience as branch manager at many rural and semi urban branches. He was well aware of the difficulties at the branch level. He meticulously kept the records of all the complaints in the region up to their redress. He helped branches normalize their relations with the complainants.

On receipt of the complaint on 9th July, he wrote to the rural branch on 13th July enclosing a copy of the complaint. His letter summarized the complaint. He urged the branch manager to explain in writing the facts of the case, so that he could respond to the customer. He advised the branch manager to investigate the matter on a priority basis and reply with a copy to the Regional Office. He also cautioned that the customer had the intention of closing all the accounts in case the matter does not get resolved.

Customer Service

The letter of complaint made Mr. Vaidya introspect on the deteriorating customer service at the branches. The Draft had not been credited to the customer for a period of more than 14 days. As per rules of the bank, the customer was entitled to interest, if proceeds of such drafts were not credited, for the period exceeding fourteen days. This, he thought, was an unwarranted expense. Furthermore, the customer had complained directly to the Regional Office, which showed a lack of rapport with the branch officials. However, he was not in a position to reprimand the branch manager as he acknowledged the problem of staff shortage due to the Voluntary Retirement Scheme. The computerization program had been delayed and the rural branches still functioned with poor communication facilities. The branch manager was new to the

area. Hence, he could not victimize the manager. He felt the pressing need to orient the officials at the rural branches to be more interactive and helpful to the customers. The drive for customer service seemed to be missing at all levels in the bank. In its place, a blind concern for compliance of procedures had emerged. Mr. Vaidya thought he would discuss the issue with higher authorities to orient the bank towards better service in the future.

Mr. Chatterji: Between Colleagues and Customers

Mr. Chatterji was still busy getting familiar with the new place of his posting when he received the letter from Regional Office on 15th July. He felt sandwiched between his colleagues and his customers. 'Damned if you do and damned if you don't!' he thought to himself. The Hyderabad branch had still not replied to his reminders and now he faced the wrath of the customer and the Regional Office. He felt he had done the right thing in not exposing his staff to undue risk. At the same time, he felt guilty for the injustice to the customer. He repented not getting in touch with the customer about the draft. On receiving the letter from Mr. Vaidya, he immediately credited the proceeds of the draft to Mr. John Colaco's account. His logic was that unless the transaction was genuine, Mr. Colaco would not have the courage to complain to the Regional Office. He also felt upset because Mr. Colaco's complaint was about both the drafts, while only one had not been credited. He next concentrated on writing suitable replies to the customer and the Regional Office to clarify the matter and make amends. He first wrote the letter to Mr. Remy Colaco on 17th July, acknowledging his complaint and giving the following explanations:

1. Savings Account of Mr. Remy Colaco had been credited with Rs. 24,958/- on 8th June.

2. Saving Account of Mr. John Colaco had been credited with Rs. 24,846/- on 16th July.
3. The reason for the delay in crediting the second account was that the draft had certain technical problems that had to be clarified by the Hyderabad branch.
4. As the remittance was not direct but through the Hyderabad branch, the process became time consuming. Hence, lodging the protest against the branch in Goa, without knowing the facts, could not be considered proper.

At the end, the letter expressed faith that the misunderstanding would be cleared with the above explanations and hoped that Mr. Colaco would continue to patronize the branch. He was also assured of prompt acknowledgement of any remittances in the future.

Before Mr. Chatterji could dispatch the letter, he was surprised at the visit of Mr. John Colaco, Mr. Remy Colaco's brother, to the branch. He immediately hurried to Mr. Colaco and gave him a warm welcome. He then invited him to his cabin and explained the entire matter to him over a cup of tea. He explained that the draft of Mr. Remy Colaco had been credited to his account on time and only that of John Colaco had been delayed. He assured him of quick and efficient service in the future. Mr. Colaco in return, assured Mr. Chatterji that they would continue to patronize the branch. Mr. Chatterji also informed him that he had written a letter to Mr. Remy Colaco.

Relieved and happy, Mr. Chatterji then wrote to Mr. Vaidya at the Regional Office the full facts of the case.

Back at the Regional Office, Mr. Vaidya was also relieved to note that the complaint was resolved without his further intervention. 'It was a genuine problem at

the branch,' he thought, 'maybe it was unfair to penalize them for being vigilant in this situation'.

CASE 3- The Case at a Specialized Branch

- **The Branch Profile**
- **The Sole Complaint**

The Branch Profile

The Specialised Branch

Margao, the commercial town in South Goa, hosts nearly fifty branches of different banks. The competition among the branches had lately increased after the entry of the new generation private sector banks. These branches of private sector banks have attracted the higher income group of customers with additional facilities like Automatic Teller Machine, mobile banking etc. To meet the challenge, a leading public sector bank came up with a specialised branch, called Personal Banking branch. Three such branches were started in Goa. They received special status, as their branch managers reported directly to the highest authority in the state, the zonal office. (See Annexure 2).

The Margao branch was opened in December 1998, with an aesthetic ambience and interior décor. It is fully computerized with modern facilities like ATM. The staff profile consisted of a branch manager, an officer and two clerks. The entire staff was well versed with the banking operations and as such there were no departmental barriers for the service (Single Window System). Being a specialised branch, it catered to high profile customers with deposits above Rs. 25,000/-. Its activities were limited to personal banking exclusively, thereby eliminating the hustle and bustle of commercial banking. The branch had two major functions, those of accepting deposits and disbursing advances of a personal nature, i.e. housing loans,

consumer loans and other personal loans. The marketing efforts of the branch were much stronger than those of the traditional public sector bank. It hosted a Computer Exhibition by inviting major suppliers and potential buyers whom the branch would finance. It had actively participated in a Real Estate Exposition in Margao and collected information about potential housing loan customers. The branch had already started making profits. Its high profile customers lauded its service and the branch had just one written complaint in its records.

The Sole Complaint

During his marketing efforts, Mr. Mani, the branch manager, met Mrs. Vaz, an elderly lady from Verna, a village on the outskirts of Margao. She mentioned that her son was working in the U.S. and had come to India recently for a long stay. She also said that he remitted money from the U.S. to the N.R.I. branch of the same bank in Mumbai. Mr. Mani, who was keen on marketing his branch especially to N.R.I. customers, saw this meeting as an opportunity. He coaxed Mrs. Vaz to persuade her son to hold the remittances as deposits in his branch instead of the N.R.I. branch in Mumbai. She agreed to this. She came to the Specialised Branch on 6th August 1999 with her son. They gave a letter addressed to the manager, N.R.I. branch, Mumbai signed by the son, Mr. John Vaz, to transfer the fixed deposits to the specialised branch in Margao. They also handed over three fixed deposit receipts to the branch manager. The details of these receipts, which were mentioned in the letter, were as follows:

No.	Date	Principal	Maturity Value
8705	5-8-96	Rs.75,586	Rs.1,07,767
0500	5-8-96	Rs.5,19,981	Rs.8,81,826
0501	14-8-96	Rs.5,19,998	Rs.8,81,854

Mr. Mani forwarded this letter to the N.R.I. branch along with a collection schedule, the document that accompanies the customer's letter and the receipts sent for collection.

On 12th August 1999, Mr. Mani was surprised to receive the proceeds of only two fixed deposits vide the drafts dated 11th August 1999. The proceeds received pertained to the first and the third receipts. Perplexed by this, Mr. Mani telephoned the N.R.I. branch to inquire why the proceeds of the second receipt were not sent. They replied that Mr. Vaz held only two receipts and the second receipt was erroneously issued. Mr. Mani decided to inform this to his customer. When he telephoned, Mrs. Vaz was quite irritated and she insisted that they had three deposits and not two. Mr. Mani cajoled her saying that he would once again inquire with the N.R.I. branch. Worried, he faxed the N.R.I. branch to look into the matter. Their reply was same. He conveyed to Mr. Vaz vide a letter dated 17-8-99 that the N.R.I. branch has stated that there were only two Fixed Deposits and not three. He enclosed the copy of the fax message received from the N.R.I. branch. A visibly agitated Mrs. Vaz came to the branch along with her son on 24th August 1999. They were also perturbed on noticing that the first receipt was treated as Non Resident Ordinary (NRO) category instead of Non Resident External (NRE) category as demanded by them. (See Annexure1). A long letter of complaint was handed over by them to the branch

manager. They insulted the manager with angry remarks. They contended that they had handed over three receipts and were entitled to the proceeds of all of them.

The Letter of Complaint

The letter dated 24th August 1999 was addressed to the branch manager of the specialised branch and was signed by Mr. John Vaz. In the contents, he had expressed shock at receiving the proceeds of only two receipts. He totally disagreed with the fax message from the N.R.I. branch that he maintained only two receipts. His reason for the disagreement was that he had received three receipts at his overseas address duly signed by the bank officer. He questioned why the third receipt was neither returned to him, nor was a convincing explanation given. In the next para of the letter, he brought to the notice of the manager two of his apprehensions about the first receipt of Rs.75,586/-. Firstly, he stated that the receipt should have been in Non Resident External category due to it being remitted from the U.S.A., instead of the Non Resident Ordinary category in which it was made. (See Annexure 1). Secondly, he pointed out that the amount remitted also differed from the maturity value that was originally stated in the receipt. In his last para, he urged Mr. Mani to take up the matter with the N.R.I. branch failing which; he would be forced to take up the matter with the overseas branch in Florida, U.S.A. Further, he solicited quick action, as he would be required to proceed overseas in the succeeding month.

To sum up, Mr. Vaz had three woes that needed resolution. Firstly, he claimed to have three deposits and not two. Secondly, he wanted the first receipt of Rs.75,586/- to be made in the NRE category instead of the NRO category in which it was made. According to the information that he had, the NRE category was for the deposits remitted from abroad whereas the NRO was for the deposits out of Indian

income of the Non Resident person. He felt irked that in spite of his deposits being from the remittance from the U.S., it was treated as NRO category. With this, he would suffer substantial monetary loss for two reasons, the lower interest rates for the NRO category and the applicability of tax deduction rules. In the NRE category, he would get a high interest of 18% and Income Tax would not be applicable at all. His third woe against the bank was that besides the change in category, it was renewed for a lesser amount than the maturity value stated on the receipt. The stated maturity value was Rs.1,07,767/- but it was renewed only for Rs.97,362/-.

The Follow up by the Specialised Branch

On receipt of the above letter of complaint, Mr. Mani was quite dejected. So was the staff of his branch. The language and approach of the customer had created a scene in the premises. He wrote to the N.R.I. branch the very same day a formal letter whose copy was forwarded to the higher authorities in the zonal office. (See Annexure 2). He enclosed a copy of the letter of complaint. He wrote the details of the three receipts sent for collection and informed that the customer has not accepted the explanation about holding only two receipts. He also informed the shock expressed by Mr. Vaz about the first receipt being treated as N.R.O. category instead of N.R.E and further stated the complaint about the difference in maturity value. He suggested that the difference could be due to deduction of tax.

He requested the branch manager's personal attention in the matter. He asked for the detailed narration of all the transactions with Mr. Vaz from the time of his remittance from Florida, U.S.A., so that he could fruitfully convince his customer. He stressed upon the urgency of the matter, as the customer wanted to travel abroad.

Mr. Mani also took care of the other procedural formalities. He acknowledged the complaint on the copy brought by the party and asked him to write and sign the official complaint register in the branch. Due to the unwillingness of the customer, he wrote the facts briefly himself. The official complaint register had each page in triplicate. One page was to be retained at the branch, the second was to be given as acknowledgment to the customer and the third was to be sent to the Zonal office, the highest authority in the state of Goa, for their information. Since he had already done the tasks of acknowledgement and informing the zonal office, he left the copies in the register itself.

The N.R.I. branch and the Zonal Office

The N.R.I. branch replied to the above vide a cryptic letter dated 21st September 1999. It said that the receipt no.2 was reissued on 14th August 1996 for Rs.5,19,998/- and was renewed for Rs.8,81,854/- on 30th July 1999. The same was remitted upon the request of the customer to the Specialised Branch on 11th August 1999. It was further mentioned that the interest on the Non Resident Non Repatriable category was not repatriable before 1st October 1994 as per R.B.I. rules.

As Mr. Mani was well conversant with the rules in respect of the Non Resident deposits, he understood the second part as the reason for the first receipt being made into NRO category. He explained these rules to his staff. The rules said that if the deposit was made before 1st October 1994, then the interest on the same till 30th September 1994 was non-repatriable and hence could not be renewed in the same category. Instead, the interest could be renewed only under NRO category.

Since Mr. Mani had informed about the complaint to the zonal office, the Assistant General Manager (See Annexure 2) took up the matter for inquiry. He wrote

a letter to the manager of the N.R.I. branch dated 12th October 1999, referring the case. He advised that the customer was agitated and hence the correct position may be intimated. The copy of this letter was sent to the Specialised Branch.

In reply, the AGM, zonal office received the same explanation which the Specialised Branch had received, about the receipt no.2 of Rs.8,81,854/-. The N.R.I. branch did not explain anything about the query pertaining to the first receipt being in NRO category to the AGM. The AGM at the zonal office wrote to the Specialised Branch a letter dated 30th October 1999 about this reply and assured to take up the matter again and revert.

The second reply from the N.R.I. branch to the zonal office dated 15th December 1999 was a more detailed one and was accompanied by an extract of the relevant portion of the Exchange Control Manual. The zonal office forwarded a copy of this letter to the Specialised Branch along with the extract of the Manual. This time they referred to the earlier transaction with Mr. Vaz. They mentioned that the said deposit was renewed as per the letter dated 12th June 1996 of Mr. Vaz, which was sent by the Florida branch. They further clarified that the principal amount of the deposit Rs. 5,19,998/- was renewed in the same Non Resident Non Repatriable category as desired. However they pointed out that as per the Exchange Control Manual, the interest had to be held under the Non Resident Ordinary category before 1st October 1994. The original remittance being before this date, they had placed the interest amount of Rs.75,586/- under the NRO scheme. This had later matured at Rs. 1,07,767/-. However as the TDS provisions were applicable to this category, they had remitted Rs.97,362/- to the Specialised Branch after deducting tax.

The Trauma of Mr. Mani

As the queries and the replies traveled to and fro, Mr. Mani was left to face the wrath of an angry customer. Mrs. Vaz telephoned at odd hours and spoke nastily to him. After a considerable follow up, she settled on the idea that Mr. Mani was innocent and the N.R.I. branch in Mumbai was the culprit. She sometimes visited the branch and even threatened to take the matter to the Federal Court of the United States.

Mr. Mani and his staff were quite upset. Here they were, working their best to kick-start their new branch, and this lady would act a spoilsport, making them miserable as the other customers watched. Mr. Mani had requested the N.R.I. branch to send him the series of earlier transactions, starting with the remittance from abroad, so that he could convince the lady. They had just overlooked this request. This made him helpless when she hurled accusations. He could take this no longer. He thought to himself that unless he personally ran around for details to sort out the matter, he would not be able to convince the customer and get back his peace of mind.

He wrote a letter to the zonal office dated 24th February 2000, seeking permission to visit the N.R.I. branch in Mumbai and get the necessary details. He informed that on his way back from a seminar at Hyderabad, he would go to the N.R.I. branch at Mumbai on 6th March 2000. The permission was granted vide a letter from the zonal office dated 28th February 2000. Mr. Mani carried a letter addressed to the branch manager of the N.R.I. branch stating that the customer was not convinced with the explanations given till date and hence the issue may be examined afresh for learning the correct position. This was a procedural necessity.

At the N.R.I. Branch, Mumbai

At the N.R.I. branch at Mumbai, Mr. Mani narrated his woes to the branch manager. He convinced him the necessity to unearth all the transactions with Mr. Vaz. The manager was sympathetic. However, he cautioned Mr. Mani about the toil involved and deputed two of his staff for his assistance. Mr. Mani then started tracing the transactions of Mr. Vaz. He searched hard through the records, not only at the branch but also in a separate store. It was a six days effort along with the staff deputed for his assistance. Thankfully, he traced the transactions to the very first and himself drafted a letter to the branch manager of the Specialised Branch. The letter contained information about the series of transactions by Mr. Vaz with the N.R.I. branch.

He described the transactions chronologically as follows:

1. On 15th October 1991, Mr. Vaz had remitted U.S. \$6000 through the Florida branch from the U.S. to the N.R.I. branch in Mumbai. This was invested in a fixed deposit in the category, Foreign Currency Non Repatriable. It matured for payment on 15th October 1994 with a value of \$7813. This was remitted back to the Florida branch; vide their instruction dated 8th November 1994.
2. On 22nd March 1993, \$6790 was remitted which was also invested in the same category maturing on 22nd March 1994. This was, however, closed prematurely vide the instruction of Mr. Vaz dated 14th July 1993 and the same amount was remitted back to the Florida branch on 16th July 1993.
3. Subsequently, on 28th July 1993, Rs. 3,72,000/- was remitted to the N.R.I. branch to be invested in the Non Resident Non Repatriable category for thirty-six months. This category was governed by stringent R.B.I guidelines. Accordingly, on maturity on 5th August 1996, interest up to 30th September 1994 Rs.75,586/- was

renewed under a separate Non Resident Ordinary category and the principal amount of Rs.3,72,000/- along with the remaining interest of Rs.1,47,998/- was renewed under the Non Resident Non Repatriable category. These fell due for payment on 28th July 1999.

With regard to this deposit, it was clarified that it was erroneously made for Rs.5,19,981/- instead of Rs.5,19,998/- and hence a fresh receipt was issued. (The principal amount Rs.3,72,000/- and the interest Rs.1,47,998/- added up to Rs.5,19,998). However, at this juncture, another folly was committed whereby all the receipts, including the wrong one, were dispatched to the customer. Therefore, in reality, there were only two receipts and not three.

This letter was addressed to the branch manager of the Specialised Branch and was signed by the manager of the N.R.I. branch. It had xerox copies of all the papers supporting the transactions. Mr. Mani carried this letter along with all the copies of relevant papers to the Specialised Branch in Goa. The expenses of his stay and travel approximately amounted to Rs.12,000/-. He intimated these to the zonal office that reimbursed the amount to him.

The Final Redress

Back at the specialised branch, Mr. Mani wrote a detailed letter dated 14th March 2000 to Mr. Vaz stating the facts mentioned above. He informed that he had been officially deputed for the verification. On receipt of this letter, Mr. Vaz came to the branch along with his mother and said that he had no further complaints about the Specialised Branch or the N.R.I. branch and added that there could be some mistake at the Florida branch, which he would pursue with them.

With this, Mr. Mani along with his staff breathed a sigh of relief and started working zealously once again for the effective marketing of the Specialised Branch.

ANNEXURE 1

Table 3 Comparison of Certain Types of Deposits for Non Residents

DESCRIPTION	NRO *	NRE *	NRNR *	FCNR *
Account: Currency	Only in Indian Rupees	Only in Indian Rupees	Only in Indian Rupees	In five selected Foreign Currencies
Account: Type	Any form, savings, fixed deposit etc.	Any form, savings, fixed deposit etc.	Only fixed deposits	Only fixed deposits except recurring deposit

Interest	Competitive rates as applicable to domestic deposits	Competitive rates	Competitive rates	Competitive rates subject to ceiling as per R.B.I. norms
Taxation	Interest earned is subject to tax deduction at source	Interest is tax free	Interest is tax free	Interest is tax free
Repatriation	Interest repatriable upon submitting prescribed documents. Principal not repatriable	Principal as well as interest fully repatriable	Interest repatriable without restrictions. Interest till 30 th Sept. 1994, was non-repatriable. Principal not repatriable	Principal as well as interest fully repatriable

(Source: Material generated for the managers at a workshop of Corporation Bank on 6th November 2002)

***N.R.O.**- Non Resident Ordinary

***N.R.E.**- Non Resident External

***N.R.N.R.**- Non Resident Non Repatriable

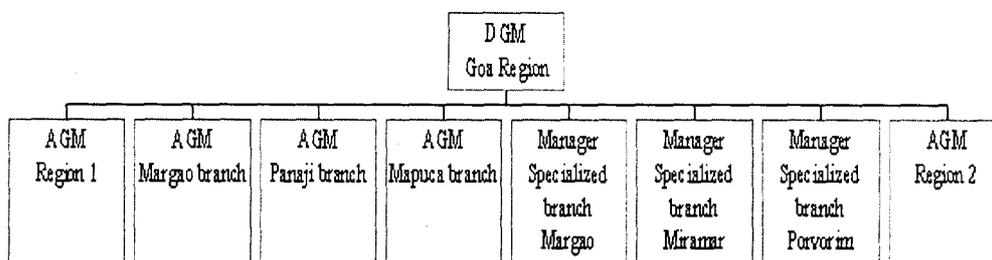
***F.C.N.R.**- Foreign Currency Non Repatriable

ANNEXURE 2

Organization of Goa Region of the Bank

The organizational chart of the Goa Region shows the positions of the branch managers of Specialized Branches and of the Assistant General Manager of Region 1, who looked after the complaint referred by the Specialised Branch, Margao. (He also looks after matters relating to small branches in South Goa.)

Figure 2 Organization Chart of the Bank in the Goa Region



Case Analyses

The analyses are presented below in the following broad sections:

- Findings across cases
- Analyses in context of literature

Findings across cases

As the branches in all the three cases were of nationalized banks, they were governed by a similar set of regulations. Also, all the cases shared approximately the same time period i.e. between the years 1999 to 2000. In the background of these similarities, they showed some stark differences across the situations in the context of their effort to resolve the complaints. If this effort is considered to be a function of variables such as time spent by the officials, cost incurred, means of communication used, interaction with the complainant, then the Specialized branch may be rated highly followed by the Semi-Urban and Rural branches. The comparative analyses are tabulated below:

Table 4 Effort towards Complaints Resolution across different types of branches

DESCRIPTIO- N	SPECIALIZED BRANCH	SEMI-URBAN BRANCH	RURAL BRANCH
Time Spent by Officials	Very large, including searching of records at branch in another region, communication with other officials and the customer	Large, including time spent by officials in inter- branch communication and meeting the drawer of the cheque	Less, only time spent was in writing letters

Cost Incurred	Very large, including airfare to the Manager for inter-state travel	Large, including cost incurred to meet third party like the drawer of the cheque	Less, as only some letters written
Means of Communication	Fax, telephone, letters	Telephone , letters	Letters
Interaction between the complainant and the branch officials during the resolution process	Frequent interaction, both at the instance of the complainant and the manager	No interaction	No interaction

Thus

If, Effort to resolve the complaint is considered as a function of time spent, number of officials involved, cost incurred, interaction with the complainant, or

If, Effort to resolve the complaint = f (Time spent, number of officials involved, cost incurred, interaction with the complainant),

Then, it could be presumed that the efforts to resolve are higher at the Specialized branch as compared to others. Next, the efforts at the Semi-Urban branch seem quite high as compared to the Rural branch. Thus, it could be proposed that:

F1: The propensity of the branch managers to expedite the complaint redressal is high, at a Specialized Branch as compared to a non-specialized branch.

F2: The propensity of the branch managers to expedite the complaint redressal is high, at a Semi-Urban branch as compared to a Rural branch.

As the Specialized Branch was especially commenced with trained staff, in order to provide highest level of service to high magnitude customers, its level of competitiveness leading to willingness to provide extraordinary customer service, was the highest. This could be the plausible explanation for the highest aptitude for service at the Specialized branch. The semi-urban location also exposes the branches to competition from several other branches of the various banks, whereas the rural branches have little competition in India. Also, it was observed that due to lesser number of transactions at the rural branches, the officials seemed to be overcautious and not willing to take any risk for the sake of better customer service. The regard for customers' waiting time seemed to be the least at the Rural branch. Hence, the above propositions were thought worthy of testing over a larger sample of branch managers, to determine whether the location and type of branch affected the propensity of branch managers to expedite the complaint redressal at the branch level.

Also, the type of customers in the cases relating to the Specialized and Rural branches were Non Resident Indians and in the case of the Semi-Urban branch, the customer had been working on board the ship. Hence, the regional/zonal offices exhibited prime concern about the expeditious redress of their complaints, due the perceived affluence of N.R.I. customers, and motivated the branch managers accordingly, due to business stakes. This is in consonance with Pareto's Law, which states that 80% of the results are obtained due to 20% of the factors. This is also stated as the separation of the vital few from the trivial many. Hence, it is proposed that:

F3: The propensity of the branch managers to expedite the complaint redressal is high, when the complainant is a Non Resident Indian.

Regarding other customer characteristics, it was evident that at the Specialized Branch, the aggressive way of complaining was responsible for driving the officials towards expeditious redressal, in order to prevent the negative publicity of the branch. In contrast, at the Rural branch, the wife of the complainant was not assertive while stating her problem to the staff. She merely queried demurely, with the staff, about the non-credit of the cheque proceeds to the bank account. The slothful behavior of the staff in resolving the problem could be partially due to the lack of assertiveness. Hence, it is proposed to test whether the customer characteristics like assertiveness and aggressiveness affect the propensity of the managers, to expedite the complaint redressal. Specifically it is proposed that:

F4: The propensity of the branch managers to expedite the complaint redressal is high, when the customer is aggressive.

F5: The propensity of the branch managers to expedite the complaint redressal is high, when the customer is assertive.

In all the three cases, it is also a salient feature that the fault for non-credit of the proceeds lay primarily with another branch and not the one under consideration in the case. However, the manager of the branch under consideration, had to save face with the customer. The apathetic response from the other branch involved, which was really responsible for the complaint, exasperated the managers. Hence, it is proposed that:

F6: The propensity of the branch managers to expedite the complaint redressal is low, when they attribute the fault to another branch.

Similarly, it is apparent that in all three cases, the process of handling the complaint received a boost after the intervention of regional/zonal office authorities. Hence it is proposed that:

F7: The propensity of the branch managers to expedite the complaint redressal is high, when the complaint is made to higher authorities.

Analyses in context of literature

As mentioned in second chapter, the literature review indicated three types of justice demanded by the customers; viz. outcome justice, procedural justice and interactional justice. It also underlined a study in the Indian context that established nearly 100 % customers' demand for quick redress, in preference to other types of justice. The case studies illustrated this demand for quick resolution of the complaint. There were indications that the lagging of the redress seemed to worsen the relationships. In the case of the Semi-Urban branch, the customer complained to the Higher Authorities, when he perceived that the response to the complaint at the branch seemed to be getting delayed. In case of the Specialized branch, the customer had demand for speedy redress right from the time of the complaint. In case of the Rural branch, the delay in crediting the proceeds of the overseas remittance was the subject matter of the complaint. Hence, the case studies showed conformity with the literature on emphasizing the need for promptness in redress.

Moreover, as explained above, the case studies seemed to demonstrate that the branch managers' tendencies are affected by several situational characteristics. The attribution theory cited in the chapter on literature review, could underline the varying propensity of managers to respond to the complaints. The variations in their responses could be the result of their attributions to the system characteristics like pressure from authorities or the environmental variables like the type and location of branches, besides the customer characteristics.

The managers' propensity to redress seemed to be positively affected by the customer characteristics like aggressiveness or assertiveness, as explained above in cases of the Specialized and the Rural branches. This observation is in contrast to the findings of Krapfel, Jr. (1988). Krapfel researched the effect of customer interaction style and appearance on response received to a complaint, using two consumer interaction styles as described by Richins (1983), namely assertion and aggression. These were thought to be characteristic in the buyer-seller dyad. He found that the interaction style consisting of both these temperaments negatively affected the response received in the context of departmental stores. The present research, having traced findings contrary to those of Krapfel, in the case studies, endeavored to clarify, with the help of empirical testing, whether different responses of the managers could be attributed to interactional styles of customers.

Another customer characteristic that was found significantly discussed in literature, was the impression of the customer as a chronic grumbler. Richins (1979) termed frequent complainers as chronic complainers. Jacoby and Jaccard (1981) stated a category of customers based on a predisposition to complain, which become manifest in a climate of complaint. Hegde (1996) planned seven case studies of complaints in banks for his research. However he observed that out of seven, two complainants had lodged more than one complaint in the branches of the banks. One of them had complained twice and the other complainant had complained thrice. Ramkumar (2000) referred such customers as 'chronic grumblers'. Hence in the present research, it was thought expedient to study the impact of such complainants on the managers' propensity to redress. It is proposed that:

F8: The propensity of the branch managers to expedite the complaint redressal is low, if the complainant is perceived as chronic grumbler.

Besides the factors stated as propositions above, the within-case analyses of the case studies provided evidence to posit that, the presence of certain other factors in a complaint situation in a branch of a bank, too, affected the expeditious redressal by the managers. An extensive list of the factors affecting the propensity was assimilated from the case studies, literature and personal work experience of the researcher in a bank. For further confidence, the factors were put forth to seven branch managers of the banks, through an open-ended questionnaire. The details of the questionnaire along with the assimilated factors are discussed next.

The Exploratory Interviews

Seven exploratory interviews were conducted with the branch managers of the banks. The managers were selected on the basis of due representation to different types of branches like the semi-urban and rural branches besides a manager of a private sector branch. One lady branch manager was included. An open-ended questionnaire was prepared for the interviews (see APPENDIX A). Critical incidents about the complaint redressal were also gathered from the branch managers. The various factors affecting the speed of complaint redressal were a-priori listed in the questionnaire for the opinion of the managers about the effect of these factors on the propensity to redress. The factors, listed a-priori in the open-ended questionnaire, were gathered from the literature, the case studies and on the basis of work experience of the researcher in the branches of the banks. These were discussed at the department of Management Studies, Goa University, with a peer group of fellow researchers and the Ph.D. Supervisors.

The list of factors that were opined by the managers as affecting expeditious redressal of complaints at the branches of the banks, is produced below:

- a) Organisation with too many levels.
- b) Inadequate training (behavioral and procedural) for complaint handling to counter staff (clerks).
- c) Any incentives, punishments or lack of them for effective/ineffective complaint handling.
- d) Inadequate authority for complaint handling.
- e) Customers' communication of expected time for redressal (assertive customers).
- f) Perceived likelihood of exit by the customer.
- g) Perceived image of the customer such as chronic grumbler.

Source: Literature: - (Factors a) to f) are referred to by Tax and Brown(1998) Tax, Brown and Chandrashekharan (1998) factor g) is referred by Oliver (1981) S. Ramkumar(2000)

- h) The low frequency of statements sent to higher authorities about complaints.
- i) Customers' ignorance about correct complaint procedures.
- j) Method of complaining, complaint box or over the counter.
- k) Treatment of 'complaint handling' as one of the performance criteria for career advancement of staff.
- l) Lack of standardization of time norms for redressal of complaints across the banks.

Source:(Factors h) to l) recalled from the past work experience of the researcher as clerk, teller and auditor at the branches of the bank and as discussed with research students and faculty)

- m) The N.R.I. or the V.I.P. status of the complainant.

- n) Monetary nature of the transaction involved in the complaint.
- o) The present magnitude of the business of the complainant with the branch and the expectation of future magnitude.
- p) The special status of the branch.
- q) The newness of the branch.
- r) The tendency of the branch officials to give more importance to the complaints addressed to the higher authorities than those received at the branch level.
- s) The classifications of the complaints according to the departments, nature of the complaint and the age of the complaint.
- t) The perceived potential of the complainant to seek redress with the third party.
- u) The aggressive manner of complaining by the complainant.
- v) The tendency of the branch officials in a Rural branch to be risk averse or overcautious as compared to those at the Semi-Urban branch due to less number of transactions and availability of time.
- w) Lack of concern by the branch officials for customers of another branch who complain.
- x) Lack of responsibility accounting, i. e. not tracing the responsibility of the complaint to the errant staff.
- y) Reduction of staff due to Voluntary Retirement Scheme.
- z) Lack of planning while introducing VRS, which has upset the officer-subordinate ratio.
- aa) Method of communication with the customers and administrative offices (Letter instead of Phone, E-mail).
- bb) Lack of proper analysis of the complaint resolution data at the branch level.

Source: (The factors m) to bb) were culled out of case studies mentioned earlier at the Specialized branch, the Semi-Urban branch and the Rural branch. Factors m) to o) were noticed across all three cases, where branch officials and higher authorities were concerned with the affluence and potential for business of the customer. Factors w), x) and bb) were also present in all cases. Factors p), q) and u) were particularly noted in the incident of the Specialized branch. Factor r) was found at the Semi-Urban and the Rural branch. Factors s) and t) were particular to Semi-Urban branch whereas factors v), y), z) and aa) were prominent at the Rural branch.)

Factors from the questionnaire not affirmed at the Interviews

The managers rejected certain factors from the above-cited list that was showed to them for confirmation. The factors, which were not affirmed along with the reasons, are mentioned below:

- i) Customers' ignorance about correct complaint procedures.
- l) Lack of standardization of time norms for redressal of complaints across the banks.

Explanations:

- The procedure of complaint by the complainant was not considered very important, so long as the contents were clearly communicated.
- The diverse nature of complaints, along with differing policies across the banks, made standardization impractical. Each of them had to be solved with reference to the respective situation.

New Factors listed in the Interviews

Besides the factors listed by the researcher and placed before the managers for their opinions, they cited some more factors, which they perceived as affecting the time taken for complaint redressal. These are produced below:

- 1) Lack of awareness of the rules, regulations and policies of the banks by the customers.
- 2) Exposure of branch managers and officers to various places, which broadens their horizon and promotes empathetic dealing of complaints.
- 3) Use of couriers instead of post.
- 4) Use of ATMs.
- 5) Concurrent audit of bank branches, as also frequency of internal inspections.
- 6) Inadequate information about the complaint by the customers.
- 7) Location of the branches, whether rural or urban.
- 8) The defaulter status of the complaining customer.
- 9) Resigning by competent and trained staff for better prospects, due to Voluntary Retirement Scheme (VRS) facility.
- 10) Nature of relationship of the branch manager with the staff.
- 11) Knowledge of local language of the staff.
- 12) Friendly Culture in South Indian Banks.
- 13) The clause in Bipartite settlement that deficiency in customer service can attract penalties such as transfer.
- 14) Strict norms/rules of the bank without any flexibility.
- 15) Lack of clarity in R.B.I.'s instructions.
- 16) Staff absenteeism.
- 17) Computerization of records.

18) Level of computerization, partial or total.

After assimilation of the above factors, they were screened based on the following criteria (after discussions with peers and Supervisors):

- Certain factors were deemed too obvious or simplistic to merit any further testing (E.g. use of courier instead of post, knowledge of local language to the staff).
- Certain factors were considered as temporary or of transient nature and hence of only short term consequence (Relating to VRS facility).
- Certain factors were thought as having too remote or indirect relationship with complaint handling (E.g. The low frequency of statements sent to higher authorities about complaints).

After the screening, three additional factors were selected for empirical testing from the above list, besides those derived from the case studies, having regard to the constraints of time and resources. Those that were selected were based on the salience of advances portfolio, in the context of the banks. The representation to the complaints from this department was considered important, as they could have significant implications of business volume at the branch. As mentioned above, in the case of the proposition with reference to N.R.I. customers, Pareto's Law was also found conversely applicable for those with trivial volume of business. Hence it is proposed that:

F9: The propensity of the branch managers to expedite the complaint redressal is low, when the complainant is a defaulter.

Advances being the prominent portfolio of a bank, the managers seemed to prefer some scope for discretion in the disbursements of advances, as they could be

held responsible later, for defunct loans. Interviews with the managers revealed that many complaint incidents seemed to stem out of rejections of loan applications. Hence, it was considered worthy to test whether certain authority in regard to sanction of loans, would positively affect the managers' motivation to serve the customers. Therefore, it is proposed that:

F10: The propensity of the branch managers to expedite the complaint redressal is high, if they are allowed flexibility in application of rules regarding loan disbursements.

The above factors were a-priori classified in the following groups:

Factors relating to the characteristics of the Complainant

1. Complainant perceived as chronic grumbler
2. Aggressive Complainant
3. Assertive Complainant

Factors relating to the Branch characteristics

1. Specialized branch v/s non-specialized branch
2. Rural branch v/s semi-urban branch.

Factors relating to Business Considerations

1. Complainant as an N.R.I.
2. Complainant as a defaulter

Factors relating to Bank Systems

1. Flexibility in application of rules in case of loan disbursements.

Other Factors

1. Complaints addressed by the complainant, to the higher authorities.
2. The cause of complaint attributed to another branch, by the branch manager.

In addition to the external stimuli mentioned above, it was also proposed to test whether, the branch managers' demographics such as experience, age, qualifications, grade and gender had any relationship with their propensity to expedite the complaint redressal. This could throw light on whether the propensity to redress is dominated by the situational factors like the manner of complaining, the type of branch or the perceived nature of the complainant or whether the managers react to the complaint in accordance with their individual profiles. Strong influence of the demographics, on the propensity to provide speedy redress could question the impact of the other situation related or systems related factors. Hence, it was proposed to test whether the managers differ by the demographics like age, experience, grade, qualification and gender with reference to their propensity to provide speedy redress to complaints. It was thought that the demographics of age, experience, qualification and grade would increase the propensity to expedite the complaint redressal. Woman managers were generally thought as more patient and hence were thought to provide speedier redress. Hence it is proposed that:

F11: Higher the age of the branch managers, greater is their propensity to expedite the complaint redressal.

F12: Higher the experience of the branch managers, greater is their propensity to expedite the complaint redressal.

F13: Higher the academic qualification of the branch managers, greater is their propensity to expedite the complaint redressal.

F14: Higher the grade of the branch managers, greater is their propensity to expedite the complaint redressal.

F15: Female branch managers have greater propensity to expedite the complaint redressal than male branch managers.

Operational Definitions of the terms

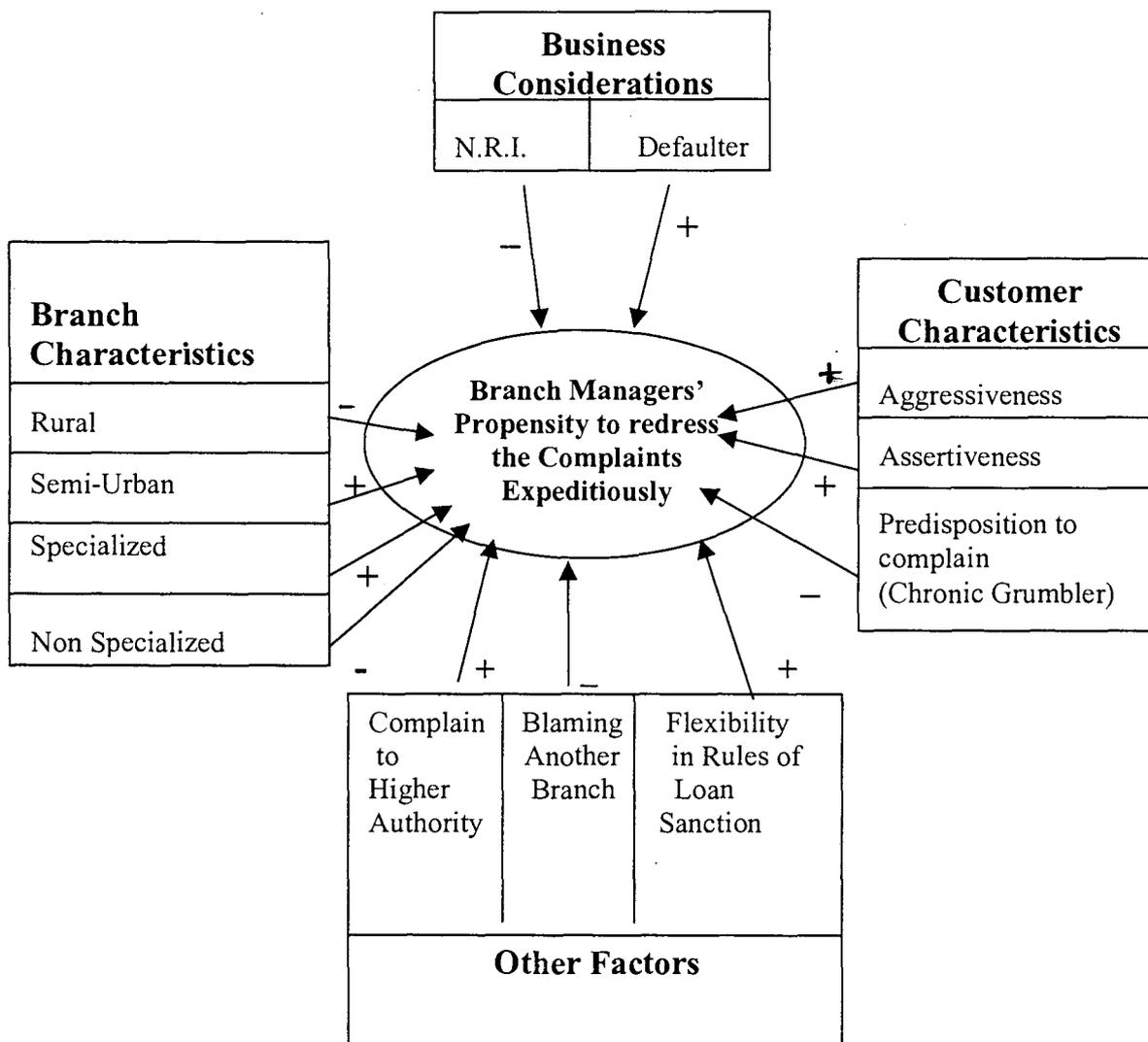
The operational definitions of the terms used in the propositions are given below:

1. **Chronic Grumbler:** The complainant, whom the manager remembers as having complained about different things at the branch, within the period of a few months, during which the manager has been posted at the branch. (Based on definition by Jacoby and Jaccard 1981 of a category of customers, whose personality is characterized by a pre-disposition to complain).
2. **N.R.I.:** A person who is resident in India for ≤ 182 days, during the preceding financial year. It also includes a person who has gone outside India or stays outside India in either case,
 - a) For or on taking up employment outside India, or
 - b) For carrying on business or vocation outside India, or
 - c) For any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period.(Based on the definition in Foreign Exchange Management Act 1999, applicable to banks)
3. **Defaulter:** The customer, who has taken a loan from the branch of a bank and whose loan account has been classified as a non-performing asset by the bank, due to non payment of principal and interest for a period of two quarters. (Based on the classification scheme of advances at banks during the period of study).
4. **Aggressive complainant:** Customer who complains loudly and makes a fuss. (Based on the definition by Richins 1983 that aggression entailed delivery of unpleasant stimuli, commonly referred to as being rude or obnoxious).

5. Assertive complainant: Complainant, who clearly specifies his expectation of time of redressal; e.g. would like his work done within the next ten minutes. (Based on the definition by Richins 1983 that assertive behavior was a comfortable expression of self-interest, without infringement on others).
6. Specialized Branch: The branch, which serves a special category of customers, due to which it is accorded special status. In this research, Specialized Branch serving high value customers having deposits above Rs.25000/- has been selected as representing Specialized Branches.
7. Rural branch: The branch, which is specified as Rural by R. B. I., with regard to population census.
8. Semi-Urban branch: The branch, which is specified as Semi-Urban by R. B. I., with regard to population census.
9. Flexibility in application of rules in case of loan disbursements: Flexibility in sanctioning powers, i. e. can sanction loan applications, with exercise of some personal judgement within the broad spectrum of rules.

Figure 3

Proposed Model of the External Factors those affect the Propensity of the Branch Managers to expedite the Complaint Redressal



CHAPTER IV

METHODOLOGY AND ANALYSES

The chapter presents the method of empirical testing, starting with the development of survey instrument and the sample selected. Content analyses of the managers' replies follows, leading to the classification of the replies with the help of selected criteria. The statistical tests conducted and the analyses of the results are then discussed, by collating and comparison of the managers' replies with extant literature and the current banking scenario.

Instrument Development

During the nascent stages of the study, the Faculty Research Committee had suggested collection of incidents of complaints along with the dates of lodging the complaint and the date of obtaining redress, in order to arrive at the precise time spent for redressal. The factors that were collected as affecting the time for the redress could then be compared against the amount of time taken in each incident, for conducting regression analyses. However, during the stages of the case studies and the exploratory interviews, it was noticed that no systematic records were maintained by the banks about the dates of lodging and the redress of the complaints. Hence, the exact time taken for the complaint redressal could not be correctly ascertained. Thus, this method was deemed infeasible for further study. Next, it was proposed to collect the perception of large sample of managers about the effect of the factors on the time taken to redress the complaints. A semantic differential scale ranging from 'will expedite' to 'will lag' was contemplated towards this end. This too was rejected after Peer and Supervisor review, for two reasons. Firstly, it was evident that though the

managers could comfortably opine that certain factors could expedite the redress, they would be inhibited in admitting that they would lag the redress due to the presence of any factors. Secondly, perception of the managers about the time for complaint redressal was considered as a rather weak variable as compared to the propensity of the managers to expedite the redressal. The variable 'propensity of the managers to expedite the redressal' was thought as more significant for the advancement of theory as well as its practical relevance. Hegde had researched the factors affecting the propensity of the customers to complain at the branches of the banks in Goa in 1996. Hence, the present research about the factors affecting the propensity of the managers to expedite the complaint redressal could contribute towards a two-sided understanding of the complaints and their redressal in the banks. Therefore, it was thought expedient to study the factors that would affect the propensity of the branch managers to expedite the complaint redressal in the banks. Towards this end, projection technique, or 'complete the story' technique was considered as a more appropriate methodology for developing the instrument for empirical survey. This was also thought as amenable to richer qualitative analyses.

The Final Instrument

In the initial unstructured interviews with the branch managers, the respondents were encouraged to narrate critical incidents about the service failure situations, from the recent past. The incidents that represented common complaints across the respondents were selected for the questionnaire. Managers were asked to report routine complaint incidents that were not too serious or trivial, in order to minimize incident effect. The critical incidents formed a part of the structured

questionnaires administered to a larger sample of the branch managers in Goa (n=103). The questionnaires used the projection technique where the opinion of the branch managers was collected on the set of given incidents with different factors embedded in them, representing the common complaints in service delivery at the banks. The factors were tested with the help of more than one incident to control the incident effect. Part A of the Questionnaire contained questions relating to the demographic information of the respondents. Part B contained ten incidents of complaints, where the managers were asked to opine about the handling of the complaint situations. Ten different incidents were selected for testing the ten factors, mentioned in the Chapter III.

Five pairs of questionnaires (in all ten questionnaires) were made; viz. Q1Q2, Q3Q4, Q5Q6, Q7Q8 and Q9Q10. If an incident of complaint with the factor embedded was included in the first questionnaire of a pair, say Q3, then the incident with the counter factor was included in the next questionnaire Q4 from the pair. For example, if an incident of delay in opening the account with an aggressive complainant (coded as 6d) was included in Q3, then the same incident with a polite complainant (coded as 6d/) was included in Q4. Q3 and Q4 were shown to two different managers. The difference in replies of the two managers, one to the stimuli of aggressive and another to the stimuli of polite complainant, could throw light on the effect of aggressiveness of the customer. Thus, each questionnaire contained ten different incidents to test the factors and the next questionnaire in the pair, had the same incidents with contradicting factor. (See Annexure 2 for the different questionnaires). The order of the incidents was different in the ten questionnaires, for avoiding any order bias. The questionnaire was administered to ten managers towards

pilot study, upon which some changes were made in the language of the incidents, to make the contents fully comprehensible to the respondents.

The factors and the incidents were coded. Following were the alphabetical and numeric codes assigned to the factors and the incidents of complaints:

Factors:

- a- Complainant is perceived as a chronic grumbler
- b- Complainant is an N.R.I.
- c- Complainant is a defaulter
- d- Aggressive complainant
- e- Assertive complainant
- f- The branch is Rural
- g- The branch is Specialized
- h- Complaints are addressed to higher authority
- i- There is flexibility in the loan sanction criteria
- j- The fault of complaint lies with another branch

Incidents

- 1- Passbook not updated on time due to the Printer break down
- 2- Non-accommodating or rigid loan criteria
- 3- Delay in collection of cheque
- 4- Uncomfortable sofa at the branch
- 5- The delay in the issue of a Demand Draft
- 6- The delay in opening a Recurring Deposit account
- 7- Not receiving cash in requested denomination
- 8- Required documents for the sanction of a loan not intimated

9- ATM machine taking away the card

10- Delay in the issue of a balance confirmation certificate

Two factors i) and j) were embedded in the incidents 2 and 3 respectively. The lack of flexibility in loan sanctions criteria made the customer complain about the manager, who did not accommodate his request for loan. Similarly, the complaint relating to the delay in collection of cheque was attributed to the fault of another branch. Only these two factors were connected to the fixed incidents of complaints. Other factors were embedded in more than one incident. For example, the 'N.R.I. customer' factor was embedded in the incident of complaining about the uncomfortable sofa, as also in the incident relating to the delay in issue of demand draft. Likewise, all the factors were embedded in more than one incidents of complaint, to control the incident effect on the respondents. Specifically, following combinations of factors and the incidents were made: (the sign / indicates presence of contrary factor; e.g. if d denotes aggressive, then d/ denotes polite)

List of combinations of incidents and factors (Please refer coding given above):

- a) Complainant is a perceived as a chronic grumbler:- { 1a, 1a/, 7a, 7a/,9a, 9a/ }
- b) Complainant is an N.R.I.:- { 4b, 4b/, 5b, 5b/, 9b, 9b/ }
- c) Complainant is a defaulter:- { 1c, 1c/, 5c, 5c/, 10c, 10c/ }
- d) Aggressive complainant:- { 4d, 4d/, 6d, 6d/, 7d, 7d/ }
- e) Assertive Complainant:- { 5e, 5e/, 6e, 6e/, 8e, 8e/ }
- f) The branch is Rural:- { 6f, 6f/, 8f, 8f/, 10f, 10f/ }
- g) The branch is Specialized:- { 9g, 9g/, 10g, 10g/ }
- h) Complaints are addressed to higher authority:- { 4h, 4h/, 8h, 8h/ }
- i) There is flexibility in loan sanction criteria:- { 2i, 2i/ }
- j) The complaint is due to fault of another branch:- { 3j, 3j/ }

For example, 1a means that, in incident 1, i. e. Passbook not updated on time due to the Printer break down, the complaint was perceived as chronic grumbler (Factor a). 1a/ meant that in the same incident 1, the complainant was the one, who seldom complained.

The Sample and Administration of the Questionnaires

The final sample of respondents consisted of 103 branch managers out of the total population of 317 from the state of Goa. (Source: State Bank of India, Lead Bank Report, 2002). Initially a sample of 200 was targeted, with the plan of dispatching 100 questionnaires by post with a postage-prepaid envelope, 20 questionnaires through e-mails and remaining to be administered personally by the researcher. Follow-up telephone calls were made at these branches where the questionnaires were dispatched or e-mailed. However, out of 100 questionnaires dispatched, the postal response rate was only 24%. No response was received to the questionnaires e-mailed. The researcher personally administered the remaining questionnaires, to the branch managers.

The data collected in the form of responses to the structured questionnaires was subjected to thorough content analysis. The researcher initially thought of classification of the responses in two categories indicating high propensity to expedite the complaint redressal and low propensity. For the purpose of the classification of the replies into suitable categories, opinions of three experts were taken. The three experts consisted of one Academician guiding research in the area of complaints at Goa University and two Regional Managers of banks (authority to whom the branch managers were immediately reporting). After perusal of the managers' replies in the

questionnaires, the experts opined that dividing the replies in two classes would constrict proper categorization. They preferred a classification scheme, categorizing the managers in three groups, with those having High, Moderate and Low propensities, based on criteria developed through scrutiny of the responses. The broad criteria developed were as follows:

Rating Criteria for classifying the Responses of the Managers

Ratings:- Low propensity 1, Moderate propensity 2, High propensity 3.

1- Low Propensity to expedite the complaints handling:

- No action to redress, only verbal sympathy,
- Intention to redress without any consideration for time (e.g. will consider the complaint if the sofa really needs repair).

2- Moderate Propensity to expedite the complaints handling:

- Instructions to staff to redress fast,
- Asking help of higher authorities,
- Offer partial redress for the time being.

3- High Propensity to expedite the complaints handling:

- The use of the words denoting action without wasting any time like 'immediately', 'promptly', 'quickly', 'expeditiously' for the redress as per the demand,
- Branch manager himself taking initiative,
- Instructions to staff to redress fast along with the customer being entertained by the manager.

Based on the above criteria and the operational definitions, a thorough Content Analysis was done by two researchers in the area of complaints handling, including the principal researcher; to avoid personal bias of the principal researcher. Each response in a questionnaire was graded as 1, 2, or 3 indicating low, moderate or high propensity to expedite the complaint redressal, based on the above decision rules. These are procedures recommended by Perreault and Leigh (1989). Inter-judge agreement was more than 90% and in case of the disagreements, the opinion of the other researcher prevailed, to avoid bias of the principal researcher. Thus, ten incidents of complaint per questionnaire were individually given different ratings of 1, 2 and 3 indicating low, moderate or high propensity according to the responses.

The Statistical tests and the Results

Association between the Factors and Managers' Propensity to redress the complaints expeditiously:

Following null hypotheses were tested in this study:

Ho1: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the aggressive manner of complaining by the complainants.

Ho2: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the assertive manner of complaining by the complainants.

Ho3: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the image of the complainant as a chronic grumbler.

Ho4: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the Non Resident Indian status of the complainants.

Ho5: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the defaulter status of the complainants.

Ho6: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the location (Rural or Semi-Urban) of the branch.

Ho7: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the Specialized status of the branch.

Ho8: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the flexibility in application of rules in case of loan disbursements.

Ho9: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the complaint being made to higher authorities.

Ho10: There is no significant association between the propensity of the branch managers of the banks to expedite the redressal of the customer complaints and the attribution of fault to another branch.

A significance level of 0.05 was the accepted level for testing the null hypotheses. Chi square test was used to test association between propensity of the managers to redress the complaints expeditiously (dependent variable) and each of the factors

mentioned above (independent variables). The results at 95% confidence level indicated that Ho2, Ho3, Ho4, Ho5 and Ho8 were rejected and Ho1, Ho6, Ho7, Ho9 and Ho10 were not rejected.

Results of Chi Square Tests

Chi Square test is used to test whether each of the factors has any association with the branch managers' propensity to expedite the complaint redressal. The managers' propensity to redress the complaints expeditiously is categorized in three groups 1 representing low propensity, 2 representing moderate propensity and 3 representing high propensity. These are the vertical columns in cross tabulations. Horizontal rows have a capital alphabet representing the incidents with the factor embedded and the next row has an alphabet with a slash (/) depicting those incidents with a counter factor. E. g., in Table 5a, D represents complaint incidents with aggressive complainant (the factor) and D/ represents incidents where the complainant is polite. At 95% confidence level, significance value of < 0.05 will indicate the association between variables. Hence those variables where the test shows highlighted significance value of < 0.05 show association with each other, whereas where the test shows value > 0.05 , the variables have no association. Percentages have been calculated for those variables, which show association with the dependent variable propensity to expedite the complaint redressal.

Table 5: Aggressive Complainant

5a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'aggressive complainant'

		PROPE- NSITY			Total
		1	2	3	
AGGRE- SSIVE	D	17	14	20	51
POLITE	D/	19	12	20	51
Total		36	26	40	102

(D represents incidents of complaints with aggressive complainant and D/ represents incidents of complaints with polite complainant)

Out of 51 managers, who were shown incidents of complaint with aggressive customer, 17 had low propensity, 14 had moderate propensity and 20 had high propensity. Out of 51 managers, who were shown incidents of complaint with polite customer, 19 had low propensity, 12 had moderate propensity and 20 had high propensity.

5b. Chi Square test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi- Square	0.264957	2	0.875922
Likeliho od Ratio	0.265167	2	0.87583
N of Valid Cases	102		

0 cells (0%) have expected count less than 5. The minimum expected count is 13.00.

Significance Value is more than 0.05. Hence, there is no association between propensity to expedite the redressal and the aggressive nature of complainant.

Table 6: Assertive Complainant

6a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'assertive complainant'

			PROPE- NSITY			Total
			1	2	3	
ASSER.	E	Count	5	13	35	53
		%	9.43	24.53	66.04	100
NON AS	E/	Count	15	19	16	50
		%	30	38	32	100
Total		Count	20	32	51	103
		%	19.42	31.07	49.51	100

(E represents incidents of complaints with assertive complainant and E/ represents incidents of complaints with non-assertive complainant)

Out of 53 managers, who were shown incidents of complaint with assertive customer, 5 had low propensity, 13 had moderate propensity and 35 had high propensity. Out of 50 managers, who were shown incidents of complaint with non-assertive customer, 15 had low propensity, 19 had moderate propensity and 16 had high propensity.

6b. Chi Square test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	13.1272	2	0.00141
Likelihood Ratio	13.5288	2	0.00115
N of Valid Cases	103		

0 cells (0%) have expected count less than 5. The minimum expected count is 9.71.

Significance Value less than 0.05 shows association between variables.

Table 7: Complainant perceived as Chronic Grumbler

7a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'complainant perceived as chronic grumbler'

			PROPE- NSITY			Total
			1	2	3	
CHRON	A	Count	32	9	8	49
		%	65.31	18.37	16.33	100
NON-C	A/	Count	15	13	23	51
		%	29.41	25.49	45.10	100
Total		Count	47	22	31	100
		%	47	22	31	100

(A represents incidents of complaints with complainant perceived as chronic grumbler and A/ represents incidents of complaints with person, who seldom complains)

Out of 49 managers, who were shown incidents of complaint with chronic grumbler, 32 had low propensity, 9 had moderate propensity and 8 had high propensity. Out of 51 managers, who were shown incidents of complaint, with person who seldom complains, 15 had low propensity, 13 had moderate propensity and 23 had high propensity.

7b. Chi Square test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	14.0999	2	0.00087
Likelihood Ratio	14.5536	2	0.00069
N of Valid Cases	100		

0 cells (0%) have expected count less than 5. The minimum expected count is 10.78.

Significance Value less than 0.05 shows association between variables.

Table 8: Complainant is an N.R.I.

8a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'N.R.I. complainant'

		PROPE- NSITY			Total	
			1	2		3
NRI	B	Count	9	8	29	46
		%	19.57	17.39	63.04	100
DOMES	B/	Count	14	18	16	48
		%	29.17	37.50	33.33	100
Total		Count	23	26	45	94
		%	24.47	27.66	47.87	100

(B represents incidents of complaints with N.R.I. complainant and B/ represents incidents of complaints with domestic complainant)

Out of 46 managers, who were shown incidents of complaint with N.R.I. customer, 9 had low propensity, 8 had moderate propensity and 29 had high propensity. Out of 48 managers, who were shown incidents of complaint with domestic customer, 14 had low propensity, 18 had moderate propensity and 16 had high propensity.

8b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	8.65003	2	0.01323
Likelihood Ratio	8.80983	2	0.01222
N of Valid Cases	94		

0 cells (0%) have expected count less than 5. The minimum expected count is 11.26. Significance value less than 0.05 shows association between variables.

Table 9: Complainant is a defaulter

9a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'defaulter complainant'

		PROPE- NSITY			Total	
			1.00	2.00		3.00
DEFAU	C	Count	30	9	13	52
		%	57.69	17.31	25.00	100
NON-D	C/	Count	11	13	27	51
		%	21.57	25.49	52.94	100
Total		Count	41	22	40	103
		%	39.8058	21.3592	38.835	100

(C represents incidents of complaints with defaulter complainant and C/ represents incidents of complaints with non-defaulter complainant)

Out of 52 managers, who were shown incidents of complaint with defaulter customer, 30 had low propensity, 9 had moderate propensity and 13 had high propensity. Out of 51 managers, who were shown incidents of complaint with non-defaulter customer, 11 had low propensity, 13 had moderate propensity and 27 had high propensity.

9b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	14.4238	2	0.00074
Likelihood Ratio	14.8776	2	0.00059
N of Valid Cases	103		

0 cells (0%) have expected count less than 5. The minimum expected count is 10.89. Significance value less than 0.05 shows association between variables.

Table 10: Rural v/s Semi-Urban Branch

10a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'Rural/Semi-urban branch'

		PROP- ENSITY			Total
		1	2	3	
RURAL	F	15	13	25	53
SEMI-U	F/	11	11	28	50
Total		26	24	53	103

(F represents incidents of complaints at Rural branch and F/ represents incidents of complaints at Semi-Urban branch)

Out of 53 managers, who were shown incidents of complaint at Rural branch, 15 had low propensity, 13 had moderate propensity and 25 had high propensity. Out of 50 managers, who were shown incidents of complaint at Semi-Urban branch, 11 had low propensity, 11 had moderate propensity and 28 had high propensity.

10b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	0.86522	2	0.64881
Likelihood Ratio	0.86721	2	0.64817
N of Valid Cases	103		

0 cells (0%) have expected count less than 5. The minimum expected count is 11.65. Significance value more than 0.05 shows that there is no association between variables.

Table 11: Specialized v/s Non Specialized branch

11a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'Specialized/Non-Specialized branch'

		PROPE- NSITY			Total
		1	2	3	
SPEC B	G	10	7	27	44
NON-SP	G/	18	12	17	47
Total		28	19	44	91

(G represents incidents of complaints at Specialized branch and G/ represents incidents of complaints at non-specialized branch)

Out of 44 managers, who were shown incidents of complaint at Specialized branch, 10 had low propensity, 7 had moderate propensity and 27 had high propensity. Out of 47 managers, who were shown incidents of complaint at non-specialized branch, 18 had low propensity, 12 had moderate propensity and 17 had high propensity.

11b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	5.781614	2	0.055531
Likelihood Ratio	5.843078	2	0.053851
N of Valid Cases	91		

0 cells (0%) have expected count less than 5. The minimum expected count is 9.19. Significance value more than 0.05 shows that there is no association between variables.

Table 12: Flexibility in application of rules in case of loan disbursements

12a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'Flexibility in application of rules in case of loan disbursements'

		PROPE- NSITY				Total
			1	2	3	
FLEXIB	2i	Count	3	10	37	50
		%	6	20	74	100
RIGID	2i/	Count	7	27	17	51
		%	13.73	52.94	33.33	100
Total		Count	10	37	54	101
		%	9.90	36.63	53.47	100

(2i represents incidents of complaints at branch having flexibility in application of rules, in case of loan disbursement and 2i/ represents incidents of complaints at branch having rigid application of rules)

Out of 50 managers, who were shown incidents of complaint at branch having flexibility in application of rules, 3 had low propensity, 10 had moderate propensity and 37 had high propensity. Out of 51 managers, who were shown incidents of complaint at branch having rigid application of rules, 7 had low propensity, 27 had moderate propensity and 17 had high propensity.

12b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	16.81	2	0.00022
Likelihood Ratio	17.3344	2	0.00017
N of Valid Cases	101		

1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.95. Significance value less than 0.05 shows association between variables.

Table 13: Complaints made to Higher Authorities

13a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'Complaints made to Higher Authorities'

			PROPE- NSITY		Total
		1	2	3	
HIGH A	H	15	13	24	52
BRANC	H/	15	13	22	50
Total		30	26	46	102

(H represents incidents of complaints at branch where complaint is made to higher authority and H/ represents incidents of complaints made at the branch)

Out of 52 managers, who were shown incidents of complaint to higher authority, 15 had low propensity, 13 had moderate propensity and 24 had high propensity. Out of 50 managers, who were shown incidents of complaint at branch, 15 had low propensity, 13 had moderate propensity and 22 had high propensity.

13b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	0.04776	2	0.9764
Likelihood Ratio	0.04777	2	0.9764
N of Valid Cases	102		

0 cells (0%) have expected count less than 5. The minimum expected count is 12.75. Significance value more than 0.05 shows that there is no association between variables.

Table 14: Attribution of fault to another branch

13a. Cross tabulation between Propensity of the Managers to expedite the redressal and the factor 'Attribution of fault to another branch'

		PROPE- NSITY			Total
		1	2	3	
ATTRIB	3j	4	9	36	49
NON AT	3j/	5	4	44	53
Total		9	13	80	102

(3j represents incidents of complaints at branch with attribution of fault to another branch, and 3j/ represents incidents of complaints at branch not attributing to another branch)

Out of 49 managers, who were shown incidents of complaint at the branch with attribution of fault to another branch, 4 had low propensity, 9 had moderate propensity and 36 had high propensity. Out of 53 managers, who were shown incidents of complaint at branch not attributing fault to another branch, 5 had low propensity, 4 had moderate propensity and 44 had high propensity.

13b. Chi Square Test

	Value	df	Asy. Sig. (2-sided)
Pearson Chi-Square	2.68145	2	0.26166
Likelihood Ratio	2.72932	2	0.25547
N of Valid Cases	102		

2 cells (33.3%) have expected count less than 5. The minimum expected count is

4.32. Significance value more than 0.05 shows that there is no association between variables.

Thus, the propensity seems to be affected by the following characteristics of the complainant:

- Complainant is perceived as a chronic grumbler,
- Complainant is an N.R.I,
- Complainant is a defaulter,
- Complainant is assertive.

Out of systems characteristics, the one that affected the propensity was:

- The discretion in applying the criteria for the loan proposal of the customer.

Out of the complainants characteristics tested, the one that did not affect the propensity was the aggressiveness of the complainant. Other factors like branch characteristics, the location (Semi-Urban, Rural) of the branch or the type of branch (Specialized, Non-Specialized) did not affect the propensity of managers to redress the complaints expeditiously, as per the results of chi square test. Attribution of fault to another branch did not affect the propensity; neither did complaining to higher authorities.

Direction of the Association

The tables of the Chi square test above indicated that the perception of the managers, about the customer being a chronic grumbler and the defaulter status of the customer lowered the propensity of the majority of managers to expedite the redress. 65.31% of the respondents showed low propensity to expedite complaint redressal, where the complainant was seen as a chronic grumbler and 57.69% had low propensity when the complainant was a defaulter. For the N.R.I and assertive customers, the propensity to expedite was high.63% respondents had high propensity

when the complainant was an N.R.I. and 66% had high propensity when the complainant was assertive. Chi square table also showed that the majority of the managers (74%) showed high propensity to expedite the redress, when they had some discretion in application of loan criteria. Hence, the characteristics of the complainant like an image as a chronic grumbler or the status of defaulter seem to negatively affect the propensity of managers to expedite the complaint redressal whereas the characteristics like assertiveness or status as N.R.I. positively affect the propensity to redress the complaints expeditiously. Discretion in applying rules while disbursing loans also positively influenced the propensity.

Role of Demographic variables

The demographic information collected from the respondents pertained to gender, age, qualification, grade as an officer, work experience at public/private sector branches, work experience as a manager, work experience at various types of branches like rural, semi-urban, urban, metro, specialized and at administrative office. Discriminant analysis was used to test whether demographic variables played a role in affecting the propensity of the managers to redress the complaint expeditiously. Each manager had opined upon ten incidents of complaint redressal per questionnaire. For each of the ten opinions, the manager was given a rating, ranging from 1 to 3 (1 signifying low propensity, 2 moderate and 3 high propensity). The average of the ten ratings for ten complaint incidents was taken as the mean propensity of the manager to redress the complaints expeditiously.

The managers were then grouped as having high propensity (mean propensity > 2) and low propensity (mean propensity ≤ 2) for the purpose of discriminating.

However, the test did not show significant discrimination between these groups with respect to demographic variables. The demographic variables did not seem to significantly affect the propensity as shown by very low discriminating power of the function obtained. (Wilks' Lambda 0.894). As the number of female managers in the sample was quite low (9 out of 103), gender was not included as a demographic variable in the test of discriminant analyses.

Results of Discriminant Analyses

The results show that the discriminating power of the model is weak. The discrimination between two groups, managers with high propensity and those with low propensity to resolve complaints expeditiously, with reference to demographic variables like age, qualification, grade, experience in various branches like rural, semi-urban, urban, metro, specialized branch or at administrative office, is not statistically significant. This can be seen from the high value of Wilks' Lambda, nearly 0.9 which is very close to 1. This makes Chi square test not significant with a high value of 0.382. Hence, although standardized coefficient shows that relative importance of experience at Specialized and Semi-Urban branch as predictors of propensity, these are of hardly any relevance, due to the low discriminating power of the function. The function classifies only 62% of the cases correctly, which also points to its limitation.

Table 15a. Summary of Canonical Discriminant Function

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
	0.11913	100	100	0.32626

First 1 canonical discriminant functions were used in the analysis.

Table 15b. Wilks' Lambda

Test of Function (s)	Wilks' Lambda	Chi-square	df	Sig.
1	0.893555	9.622827	9	0.381873

Table 15c. Standardized Canonical Discriminant Function Coefficients

	Function
	1
AGE	-0.2514
QUAL	0.48785
GRADE	0.16022
EXPR	0.46136
EXPSU	0.64532
EXPU	0.16706
EXPM	0.00163
EXPSP	0.74576
EXPEA	0.15754
DMN	

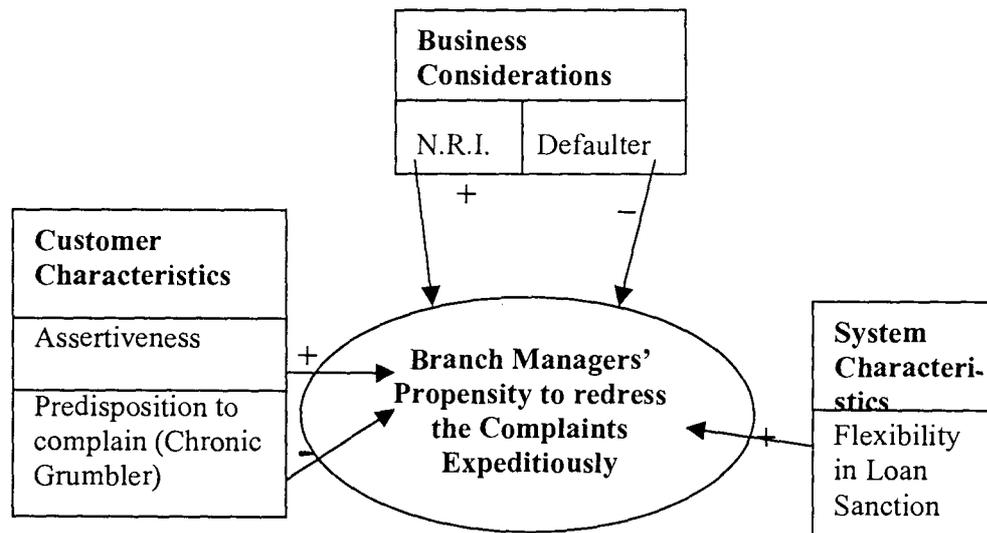
15d. Classification Results

			Predicted Group Membership		Total
			1	2	
		EXPED	1	2	
Original	Count	1	15	9	24
		2	26	42	68
	%	1	62.5	37.5	100
		2	38.2353	61.7647	100
a	62.0% of original grouped cases correctly classified.				

The initial model is revised in the light of above results as follows:

Figure 4

Revised Model showing the Factors affecting the Propensity of Branch Managers to expedite Complaint Redressal



The analyses of the results with reference to the existing theories

The explanations of quantitative results are presented, based on extant literature. The attribution theory, that was presumed to underline the behavior of managers, is first discussed along with the literature on styles of interaction. Other allied theories are also discussed.

Attribution Theory as it relates to Complaining Behavior: Stability, Controllability, and Attribution of Blame

Several authors have suggested an attributional approach to complaining behavior, most notably Folkes (1984) who stated that "the perceived reason for a product's failure influences how a consumer responds". To recapitulate, she said that consumers attribute the causes for product failure -- or more generally, for dissatisfying purchase episodes -- based on *locus of control, stability, and controllability*.

Locus of control referred to whether the product failure was due to the seller (an external attribution) or to the consumer (an internal attribution). Stability referred to whether the underlying cause of the dissatisfaction was perceived as being temporary or permanent. Upon experiencing dissatisfaction with a product, the consumer then made judgement as to whether a similar type of problem will recur, when patronizing that retailer in the future.

Controllability referred to whether the consumer perceives that the retailer could have prevented the problem, or whether it was accidental. Folke found that consumers, who perceived that the seller could have prevented the problem, but did

not take the necessary precautions, were more likely to be angry and hence tend to want to hurt the offending company.

The present study demonstrates that this theory seems to underlie the behavior of the service providers also, besides that of the customers, as found by Folke. *The external attribution* of blame, coupled with the perception of *stability* seems to underlie the managers' low propensity to redress, when the complainant is perceived to be a chronic grumbler. The managers perceived such a customer as rather incorrigible and hence, it dampened the propensity redress his problems quickly. To quote some managers:

- 'Mr. Prabhu is a dissatisfied man in life and will be complaining for each and every action, which is not as per the rules. The complaint is unnecessary and should not be taken very seriously.'

- 'If the customer is simply creating a mess for no reason, such account should be closed or else he should be properly guided by the branch officials.'

However, when the complainant was aggressive, it did not affect the propensity because the state of aggressiveness was perceived to be *temporary*. Most branch managers only chose to cajole such customers with a cup of tea and soft talk and were not affected, since they felt that this angry behavior was momentary and could be managed (see managers' quotes in next paragraph about the aggressive behavior). The *controllability* affected the branch managers' propensity to redress expeditiously, when they blamed the systems characteristics. The propensity to redress was positively affected, when the system allowed for certain flexibility in criteria for disbursing a loan (controllable), whereas rigid application of sanctioning criteria (non-controllable) negatively affected the managers' propensity to provide prompt redress.

It is noteworthy that the external attribution effect was evident in the buyer seller dyad, but did not gain prominence with other entities like another branch. Where the fault was attributed to another branch, it did not affect the propensity of the managers to redress. This is explained in paragraphs relating to the state of transition in the banking sector.

Literature on Interaction Styles

As briefly stated in chapter III, in the section on case analyses, Krapfel, Jr.(1988) had researched the effect of customer interaction style and appearance, on response received to the complaint. He used two consumer interaction styles described by Richins(1983) viz. assertion and aggression, thought to be characteristic in buyer-seller dyad. Assertive behavior was described as involving a comfortable expression of self-interest, without infringement on others, while aggression entailed delivery of unpleasant stimuli, commonly referred to as being rude or obnoxious. He found that interaction style consisting of both these temperaments negatively affected the response received, due to lack of perceived legitimacy. Krapfel, Jr.(1988) combined the aggressive and assertive behavior, for the purpose of his study. He used the following statements to represent interaction style comprising a combination of aggressive and assertive behavior: 'Customer presented the problem in a very aggressive way', 'Customer presented the problem in a very bold way', and 'Customer presented the problem in a very excited way'. He found that the interaction style comprising combined elements of aggression and assertion had a negative effect on perceived legitimacy, which in turn negatively affected the response received to the complaint.

The present study sought to test the effect of behavioral dimensions of aggression and assertion *separately*, as the definitions of the two elements vary considerably. The present study posits that studying the effect of aggressiveness and assertiveness in a combined fashion, may have led to incorrect conclusions, as it entailed an attempt to put together contrasting characteristics of ‘rudeness’ and ‘comfortable expression of self-interest’ in order to test their effect. Hence, the present research preferred testing the effects of the characteristics of ‘aggressiveness’ and ‘assertiveness’ separately. Contrary to Krapfel’s findings, the results of the present study indicate that assertive (demanding) behavior positively affected the propensity to respond whereas aggressive behavior did not affect the response at all. The branch managers seemed to perceive aggressiveness to be a momentary behavior and concentrated on calming the customer by cajoling him rather than paying urgent attention to the subject matter of his complaint. The following are the quotes of some branch managers:

- ‘There should not be a fuss on the cash counter, especially on a busy day’,
- ‘Manager can convince the customer patiently about the difficulties faced by the branch’,
- ‘Branch manager would explain to the customer about the bank’s constraints; he would also make the customer loosen up and feel comfortable’,
- ‘Customer should not create fuss; he should keep himself within proper behavior norms’.

Hence, the aggressive behavior did not affect the propensity to expedite the redressal of the *actual* complaint.

Contrary to the above, assertive behavior suggested the genuineness of the complaint, emphasizing the customer’s need. ‘Assertiveness’, in the present research was represented by ‘demand for prompt redress, within the stated time’. This

favorably affected the propensity of the managers, as evident from the managers' replies such as 'any customer needs immediately, we must try to get it done'. Some other replies stated thus:

- 'The customer whose Financial Advisor (Chartered Accountant) may be going out of town, or if the date of filing returns was close to the deadline, then the customers' request for early redress should be satisfied',

- 'If there is a genuine reason like going out of station, then the request will be satisfied'.

This was evident in large number of replies. Thus, assertiveness may have conveyed the authenticity of complaint and could have positively affected the 'perceived legitimacy', as discussed by Krapfel. The results of this research, contrary to Krapfel's findings, could be mainly due to testing of aggressiveness and assertiveness separately, instead of in a combined fashion; wherein assertiveness independent of aggression, seems to affect the 'Perceived Legitimacy' in a positive manner.

In sum, the present study indicates that the branch managers in banks do have a concern towards the customers whom they consider rational. They demonstrate that the customers with personality traits of complaining nature dampen their morale to serve, although momentary skirmishes showing customer aggressiveness are tolerated. Their desire to provide service is positively motivated when customers make specific and reasonable demands. It is perhaps when they visualize the futility of their efforts in satisfying the chronic grumblers that they display certain disdain at serving them (Hegde Desai 2003c).

Expectation Disconfirmation theory as applied to Delays:

Ervelles and Leavitte(1992)state that the paradigm that has dominated consumer satisfaction/dissatisfaction research since its emergence, as a legitimate field of inquiry in the early 1970's, has been the expectancy-disconfirmation paradigm. According to this paradigm, consumers are believed to form expectations about a product prior to purchasing the product (Oliver 1980). Expectation is generally defined as the consumers' beliefs that a product has certain desired attributes. Subsequent post-purchase usage reveals to the consumer the actual performance of the product. The consumer then compares this post-purchase evaluation with the expectations held prior to purchase. If the product performed better than expected (perceived actual performance > expected performance), positive disconfirmation is expected to occur. This leads to consumer satisfaction, and strengthens the consumers' beliefs, attitudes and future purchase intentions. If however, in the consumers' evaluation, the product performed worse than expected (perceived actual performance < expected performance), negative disconfirmation occurs. This may weaken future dispositions towards purchasing the product, and may lead to consumer complaint. The theory has been applied to the customers' evaluation of the delays. Research by Feinberg, Widdows and Steidle (1996) found support for the hypothesis that 'Dissatisfaction will be found for delays which exceed expectation and satisfaction will result when service delivery beats expectation.' Thus, satisfaction seemed related to customer's expectation of delays.

In case of handling complaints, too, the customers' perception of 'expeditious' redressal will depend on their expectation of the time to be taken for the redressal. Hence, it would be easier for the managers to meet or beat the expectation and avert

customers' dissatisfaction, when they correctly know the expectation of the customers. Consistent with this premise, the present research posits that the customer who explicitly states his expectation of the time of redressal, i.e. an assertive customer, will positively motivate the managers towards prompt redressal of complaint and thus increase his own chances of being satisfied. The assertive customer in the present research was represented as the 'one who explicitly and firmly states his expectations of the time of complaint redressal'. (E. g. 'Mr. Keshav wanted his account to be opened within the next ten minutes', 'Mr. Naik wanted the additional overdraft limit sanctioned on the same day'.). Thus, the propensity of the managers to expedite redressal could be the mediating variable between the customers' expectation and the positive confirmation of expectation, leading to satisfaction.

Pareto's Law or 80-20 Rule

This generally accepted principle of prioritization (80% of the quantum of the business is generally contributed by 20% of the customers, who, therefore, receive preferential treatment, as against the remaining 80%, who contribute a mere 20%) was affirmed in the results of the study. The propensity of the managers to expedite the redressal was positively affected, if the complainant was an N.R.I. and the propensity was negatively affected, upon the complaints by defaulters (in case of loans). The reactions included remarks like:

- 'Mr. D'Souza being an N.R.I., is the main resource of the bank. Therefore the branch manager should apologize for the delay and instruct the staff to strictly adhere to time schedules',

- 'Personal attention paid to the N.R.I. would help-invite him to the cabin, offer a cup of tea and hand over the draft to the N.R.I.'
- 'Branch manager should see that there be a special counter for N.R.I.s for faster, efficient service.'

As against these, the disdain towards the defaulters was reflected in the replies, which resulted in general apathy towards their complaints. Some replies to the complaint of delay in issue of demand draft elicited reminders that the managers had a general lien over the money and the right of set-off towards the regularization of loan. As such, the money tendered towards the application for the draft could even be appropriated towards the loan. Hence, they felt that complainant's defaulter status would lead to diminution of his right to expect complaint redressal. To quote a manager: 'Use the occasion (of the complaint) to remind Mr. Prabhu the need to repay and threaten if necessary, legal measures to ensure recovery; Put Mr. Prabhu on the defensive'. Another respondent felt that the manager would tell the complainant that his NPA account should be brought in order immediately, and would not listen to his complaint, as he is a willful defaulter.

The reflection of the transition in the banking sector in the research results

The following propositions have been culled out of the case studies done by the researcher about the complaint handling in the banks:

The managers' propensity to expedite the redressal gets negatively affected for the complaint at a Rural branch.

The managers' propensity to expedite the redressal gets positively affected for the complaint at a Semi-Urban branch as compared to a Rural branch.

The managers' propensity to expedite the redressal gets positively affected for the complaint at a Specialized branch as compared to Non Specialized branch.

The managers' propensity to expedite the redressal gets negatively affected when the fault is attributed to another branch.

Besides the evidence from the case studies, the above hypotheses were thought worthy of testing, due to some common experiences of the customers of the Rural and Semi-Urban branches. The customers of rural branches generally had closer personal relationships with the branch personnel and hence were expected to ask for speedy redress to their complaints. In Semi-Urban branches too, there seemed to be demand for speedier redress due to time pressures of city life. Hence it was thought expedient to test the proposition whether the propensity to expedite would be affected by the location of the branch.

However, the empirical testing of the above hypotheses revealed almost no evidence of managers paying any regard to the location or the type of branch. The explanations of the managers did not differ across the two types of branches and had no reference of urban or rural location of the branch. Similarly, they paid little attention to the fact of the branch being either Specialized or Non-Specialized.

This could be an indication of the 'changing times' in the banking sector. The case studies were of the events of the years 1999 and 2000, whereas the wider testing of the propositions was done in 2003. The current period seemed to be a stage of technical turnaround for the banking sector. (80.15% of business in Public Sector Banks is captured through computerization and 13078 of the 46528 branches of 27 such Banks have been computerized. Source: 'The Week' 2003). Besides

computerization, measures such as diversification of portfolios like e-banking and massive Voluntary Retirement Schemes seemed to orient the banks towards facing the challenges posed by the competitive scenario. The outlook of the branch managers seems to be undergoing a change towards a better sense of teamwork. The emphasis during 2003 appeared to be on 'the bank' as a unit rather than 'the branch', which was considered as a unit by the managers in earlier years' case studies. This was evident in the replies, which often used phrases like 'in my bank'. Private sector banks had commenced their operations following such centralized approach and the public sector banks seemed to have followed suit. Thus, the time lag between the period pertaining to the case studies and the survey could be responsible for the indifference to the stimulus, 'type of branch' (rural/urban/specialized). Attribution of fault to another branch also lost its significance when the entire bank was visualized as a unit.

The study could be viewed as a 'before-after' observation. The case studies of 1999 and 2000 pointed at a rather complacent attitude of the public sector managers, which is reflected in the hypothesis about their propensity being conditioned by mundane variables like the location, types of branch. This seemed to have undergone a mammoth change in the year 2003, making the public sector banks more versatile in the competitive milieu.

CHAPTER V

CONCLUSION

This chapter summarizes the conclusions and the limitations of the research. The avenues for further research are identified and implications for practice are stated.

Conclusions

The conclusions are briefly summarized below:

1. The propensity of the branch managers of the banks to expedite the redressal of customer complaints seems to be affected by external impetus, rather than the demographic features of the managers. The demographic characteristics like age, gender, experience, educational qualification, grade did not reveal any relationship with the propensity to expedite the complaint redressal.
2. Out of the external stimuli, those pertaining to customer characteristics and business considerations prominently affected the propensity to provide expeditious redress to customer complaints. In the case of 'advances' portfolio, flexibility in sanctioning the loans seemed to affect the propensity to redress the complaints related to loan applications.
3. The customer characteristics of 'assertiveness' favorably affected the propensity to redress the complaints expeditiously, seemingly due to assertiveness denoting legitimacy of the complaints.
4. The perceived image of the customer as a chronic grumbler by the managers negatively affected the propensity to redress customer complaints expeditiously, presumably due to perceived futility and the expectancy of recurrence of complaints.

5. The customer characteristic of 'aggressiveness' did not affect the propensity. The managers' attention appeared to be diverted towards pacifying the customer and tiding over the momentary unpleasantness at the premises, instead of focussing on the actual complaint.
6. The propensity to expedite the complaint redressal was affected by the business prospects from the customer. Hence, the managers expeditiously redressed the N.R.I.'s complaints and disregarded those by the defaulters of loans. In case of the defaulter, the failure to honor his prior commitments adversely affected his image and consequently the relationship with the bank managers. Thus, their propensity to redress his complaints was discouraged.
7. In handling the complaints related to loan disbursements, the managers were positively motivated to redress the complaints, when they had some discretion in applying the rules relating to the criteria for processing the loan applications. Rigid exercise of the rules relating to the criteria for processing loan application lowered the propensity towards expeditious complaint redressal.
8. The factor, 'location of the branch' did not seem to affect the propensity of the managers to expedite the complaint redressal. There were no indications of differing propensities to redress customer complaints, across rural and semi-urban branches of the banks. The variable 'type of branch: specialized or non-specialized', also did not seem to affect the managers' propensity. It would be interesting to note that these factors seemed crucial in the case studies of complaint redressal pertaining to the period 1999-2000. However, the factors seemed to lose significance during the subsequent transition period relating to the banking sector, which emphasized 'the bank' as a unit rather than 'the branch', for performance evaluation. In this scenario, attribution of fault to another branch also

lost significance, when the managers displayed loyalty to 'the bank', rather than a particular branch.

9. Complaining directly to the higher authorities by the customers did not influence the managers' propensity to redress expeditiously. The focus appeared to be on the merit of the complaint rather than the level of the receiving authority.

Limitations

This study proposed an examination of the issue that was found substantially relevant with reference to literature review and the case studies, along with the exploratory interviews conducted as a part of the research. Its goal was to ascertain and substantiate the findings with reference to a larger population. Although this overall goal was achieved, the study may have certain limitations.

The limitation of the study may lie in its use of a projective scenario questionnaire format. There is an assumption built into projective techniques that the respondents project their values and attitudes in considering situations involving others.

It is possible, despite supportive evidence for the assumption, that this was not the case. Additionally, some respondents may second-guess the projective technique and due to concern over self-reporting, understate their own level of susceptibility to influence, increasing social desirability bias as quoted by Neeley and Schumann (2000).

Another limitation of the research may lie in the process of coding the replies of the managers into categories of High, Moderate and Low Propensities. The coding was done by two researchers in the area of complaint management, based on the

coding instructions developed with the help of opinions of the experts. The procedure recommended by Perreault and Leigh (1989) was broadly used for assigning incidents to categories. However, a blind review by a third judge may have improved the overall reliability. Other measure of inter-judge reliability could be calculated, besides percentage agreement statistic used. As the agreement between coders was more than 90%, with a view of practical difficulty faced in obtaining a third researcher in the area of complaint management, the coding by two researchers was accepted.

Avenues for further research

The study of the complaining behavior and complaint redressal has been acknowledged as a potent research issue in the marketing literature. Some of the areas that could be furthered pursuant to this research are discussed in brief.

As this study has investigated the impact of selected factors on the managers' propensity to expedite the complaint redressal, there could be possibility of unearthing other factors that affect the propensity to provide expeditious redressal. The present study has tested ten factors considered more relevant among the factors that could affect the propensity of the managers to expedite the complaint redressal. Certain other factors relating to Human Resource Management such as responsibility accounting pertaining to complaints and their redressal or the effect of incentives for superior customer service could be tested, to see whether they affect the propensity. The effect of other system related factors on the propensity to expedite the complaint redressal could also be studied. The evidence from case studies showed that there was no systematic attempt at complaint analyses, at the branch level, which prevented methodical learning for providing expeditious redress. Thus, the impact of such

conditions inherent in the systems at the banks could be studied with the intention of tracing those, which positively or negatively affect the managers' propensity to provide speedy redress to complaints.

Upon obtaining an extensive list of the factors, an attempt to weigh them for finding their relative significance could be made. The present research has found that customer characteristics as well as business considerations affect the propensity to redress. Further study could dwell on researching which of these has overriding impact. For example, if the complainant is 'an N.R.I.' and 'a chronic grumbler', whether the redress to his complaint is speedy or tardy could be examined.

The present study attempted to trace the factors as perceived by the managers that motivate/de-motivate them to render expeditious redress to customer complaints. The perceived reasons may not be the "true" reasons for the success or failure to redress the complaints promptly. Hence, a study to unravel the factors that affect the time taken for the redressal of complaints could be attempted. Such a study was found infeasible during earlier periods, as the records at the banks under the manual system were found to be rather sketchy and inadequate for tracing the precise time taken for handling complaints. However, the recording of complaints with the computerized system could make it viable to analyze the complaints with reference to the time taken vis-a-vis the factors under consideration.

Implications for practice

The research has policy as well as practice implications for the higher-level management. The study reveals that 'Customer Characteristics' influence the managers' propensity to redress the customer complaints expeditiously. Contact

employees experience that, 'the customer is not always right'. However the firms generally advise their employees that the customer is the king. The banks, especially, are seen not to form appropriate dealing strategies with 'the wrong customer'. The employees are often left without any orientation about the bank's policies as well as the requisite training to deal with the various classes of customers. Communicating a clear policy about the 'problem customers' would appropriately guide the first level managers. The strategies could range in the continuum from 'deny service' to 'satisfy at all costs', in accordance with the 'value' of the customer to the bank.

If the firm cannot afford to lose a wealthy but combative customer, at least it could provide appropriate training to the employees to handle such customers. Managers could be trained in 'Coping Strategies' instead of being left with their individual coping styles. Many firms in other industries like hospitality are known to hone the employees' skills of anger diffusion, responsive listening etc. Through maintaining integrated database of customer preferences as a part of 'Customer Relationship Management' (CRM), the problem customers could be appropriately identified and dealt with, without any antagonism. 'Call Centers' manned by trained employees, as engaged by other sectors, could be envisaged by the banks, to facilitate presentation and amicable resolution of customer complaints.

The survey result indicated that the assertive customer, who indicates his preferred time of obtaining redress, positively motivated the managers. In this context, it was observed that the customers' expectations of time for various transactions were generally ruled by the norms pertaining to the pre-computerization period. Banks could guide the expectation of the customers regarding transaction time, by suitably informing them the post- computerization time norms. They could also guide the customers about the nature of the system in place for complaints and their redressal.

Such cues could help the customers to suitably present their complaints and negotiate with the managers to persuade them towards expeditious redress.

With reference to the 'Advances Portfolio', some flexibility to the branch managers in the matters of accommodating the loan applications seemed to evoke considerable creativity among the managers to handle customer complaints. Hence, the flexibility of operations in context of advancing loans to customers rather than a blind adherence to the laid criteria, could promote better relations coupled with recoveries.

The study also indicated that during the stage of current phase of 'technical turnaround' in the banking industry, the Human Resource Management was rather flawed. The Voluntary Retirement Scheme introduced by the banks during this time period was supposed to coincide with computerization, as an answer to staff shortage. However, it was evident that computerization had its own share of delayed implementation and lack of training to the staff. The survey showed that around 22% managers did not answer the question about the ATM scenario, saying that they had no idea about the working of ATMs (Hegde Desai 2003d). Most of those who replied also exhibited cursory knowledge and enthusiasm. Most of the branches did not have a substitute printer, in case of the damage to the one that they had. The failure in manpower planning was evident in the areas like miscalculations of the number opting for VRS and imbalance in the officer-clerk-subordinate ratios at the branches. The training centers of the banks that claimed to be proactive, progressive and preparative seemed to fall short, in delivering their aspirations. Hence there seemed to be a need for the Top Management to focus more on the grass-root problems at the branch levels, with 'On the Job' training for the staff, instead of 'Management by Circulars' (Hegde Desai 2003d). An effort to educate the customers about the

changed systems, through periodic meetings would pave a way for better customer relations in the long run. Technology with a human face seemed to be the necessity to avert the chaos at the branch level and attain a balance between the customer and the employee satisfaction.

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APPENDIX A

Questionnaire for Unstructured Interviews with Branch Managers

Objective: To arrive at an exhaustive list of possible factors that affect time taken for handling / redressing complaints.

Questions:

1. What are the different types of complaints generally received at the branch?
2. Whether any time norms are fixed for handling complaints? What are they? Are they different according to type?
3. If no time norms are fixed, what is the average time taken for complaint resolution?
4. Are all/most of the complaints resolved within the time norms fixed?
If yes, what are the strengths at the branch, which resolve the complaints in time?
If no, is it because of the unreasonable time norms?
5. If the time norms are reasonable, what are the factors that delay the complaint resolution? What could be done to expedite complaint handling?
6. Please cite one or more incidents of complaints that you settled.

7. Please give your opinion whether the following factors affect the time taken for complaint redressal? If they do, then please explain how.
- a) Method of complaining, complaint box or over the counter.
 - b) Organisation for complaint resolution, with too many levels.
 - c) Inadequate training (behavioral and procedural) for complaint handling to counter staff (clerks).
 - d) Any incentives, punishments or lack of them for effective/ineffective complaint handling.
 - e) Inclusion / Non inclusion of complaint handling among the performance criteria for career advancement of staff.
 - f) Adequate/inadequate authority for complaint handling.
 - g) Frequency and content of statements sent to higher authorities about complaints.
 - h) Lack of standardization of outcomes.
 - i) Lack of awareness about the time taken by other banks for complaint resolution.
 - j) Awareness or the lack of it, about the time taken earlier at the same branch for similar complaint resolutions.
 - k) Lack of proper analysis of the complaint resolution data at the branch level.
 - l) Customers' ignorance about correct complaint procedures.
 - m) Customers' communication of expected time for redressal
 - n) In the absence of any communication of such expectation, incorrect assessment of the customers' expectation by the staff.
 - o) Method of communication with the customers (Letter, Phone, E-mail).
 - p) Perceived likelihood of exit by the customer.
 - q) Perceived image of the customer such as chronic grumbler.

APPENDIX B

QUESTIONNAIRES FOR SURVEY

This annexure contains ten questionnaires. Each questionnaire has an Introductory section, Part A containing demographic details of the branch managers and Part B containing incidents of complaints about which the branch managers' opinion is sought.

The introductory section and Part A is constant for all ten questionnaires. Questionnaire 1 contains all three parts, Introductory section, Part A and Part B. For questionnaires 2 to 10, only Part B is given, as other details are same as those in Questionnaire 1. Sufficient space for managers' opinions is left after each incident in Part B of actual questionnaires, which is not done in this annexure.

QUESTIONNAIRE 1

SURVEY

Objective

The aim of this survey is to study the complaints in the Banks. The survey is a part of the research undertaken for Ph.D. program of Dept. of Management Studies, Goa University.

Treatment of data and confidentiality

Individual responses or information contained in each questionnaire will not be disclosed. The data will be aggregated and used to draw statistical inferences in this study.

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PART A: GENERAL INFORMATION

1. Name of the bank and the branch : _____
2. Address of the branch: _____

3. Name of the branch manager: _____

Please tick mark in the space provided next to the alternatives to indicate your response in Q. No. 4 and Q. No. 7

4. Sex: Male _____ Female _____
5. Age: _____
6. Qualification: _____
7. Does your bank belong to
Public sector or Private Sector: Public _____ Private _____

Please answer Question no. 8 if you belong to Public Sector bank only.

8. Please state your Grade: Gr.1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___
9. Total Work Experience in no. of years: (branch-wise)
 - a) In rural branch _____
 - b) In semi urban branch _____
 - c) In urban branch _____
 - d) In metro branch _____
 - e) In Specialized branch _____
 - f) In Administrative Office
(Please mention the name of
the office, Regional, Zonal etc.) _____

_____	_____
_____	_____
_____	_____
_____	_____

10. Experience in no. of years: (Post-wise)

a) As branch manager	
i) Of Public sector bank	_____
ii) Of Private sector bank	_____
b) In other capacity	
(Please mention the Post)	
i) At Public sector bank	
(Post) _____	_____
_____	_____
_____	_____
ii) At Private sector bank	
_____	_____
_____	_____

PART B: OPINIONS

(Kindly answer the questions asked after reading the incidents given below)

5c/. Mr. Sheth, who had taken a loan from a bank, paid his installments regularly. He also had a saving account with the same bank. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Instead of waiting, Mr. Sheth complained about the delay to the manager. What would the branch manager do? Why?

1a.Mr. Prabhu, a retired person, had monthly pension. The pension would be credited to his bank account every month. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. The manager was posted at the branch a few months ago. He recollected that Mr. Prabhu had been complaining to him about different things at the branch. What would the branch manager do? Why?

4b. Mr. Menezes, who was working abroad, had a non-resident external account in a bank branch in Goa. He visited the branch to operate his account, when he had come to Goa. After his work was done, he complained to the branch manager about the

quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

10f/. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Sanquelim branch of a Bank. This was for filing returns. The customer is normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

7d/. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George went to the branch manager and complained politely to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

9g. Branch manager of Personal Banking branch of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

3j. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager checked the courier records and found that the fault for the delay did not lie with his branch since the cheque had been delivered in time to the Mumbai branch.

What would the branch manager do? Why?

6e/ Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav entered the branch manager's cabin quite disturbed and complained that it was bad to ask the customer to keep waiting. What would the branch manager do? Why?

8h/. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and complained to the branch manager about the sloppy service. What would the branch manager do? Why?

2i. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about the prerequisite. Mr. Shanbhag complained bitterly and requested the manager to do something for him. The branch manager had the discretion to overlook the condition provided he would take the responsibility of recovery and also convince the authorities about the solvency of the customer. What would the branch manager do? Why?

QUESTIONNAIRE 2

PART B: OPINIONS

4b/. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

5c. Mr. Sheth, who had taken a loan from the bank, did not pay his installments regularly. His loan account was classified as an N.P.A. He also had a saving account. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Instead of waiting, Mr. Sheth complained about the delay to the manager. What would the branch manager do? Why?

10f. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Panaji branch of a bank. This was for

filing returns. The customer is normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

8h. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and left the branch. After three days, the branch manager received a letter from Regional manager about having received a letter of complaint from Mr. Naik about the incident and the sloppy service. The letter also advised that the manager should look into the matter. What would the branch manager do? Why?

2i/. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about this prerequisite. He said he was helpless as far as the rules were concerned. Mr. Shanbhag complained bitterly and requested the manager to do something for him. What would the branch manager do? Why?

1a/. Mr. Prabhu, a retired person, had monthly pension. The pension would be credited to his bank account every month. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. The manager was posted at the branch a few months ago. He knew Mr. Prabhu as a person who seldom complained.

What would the branch manager do? Why?

9g/. Branch manager of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

3j/. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went

to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager was aware that there was some delay at his branch in sending the cheque for collection. What would the branch manager do? Why?

6e. Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav went to the branch manager and complained that the time stipulated as a norm for the opening of the account had already passed and he would like his work done within the next ten minutes. What would the branch manager do? Why?

7d. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained loudly to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

QUESTIONNAIRE 3

PART B: OPINIONS

5e. Mr. Sheth had a saving account at a bank branch. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Mr. Sheth complained about the delay to the manager. He said that he would like to have the draft in next five minutes as he was in a hurry. What would the branch manager do? Why?

4h/. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

2i/. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running

quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about this prerequisite. He said he was helpless as far as the rules were concerned. Mr. Shanbhag complained bitterly and requested the manager to do something for him. What would the branch manager do? Why?

8f. Mr. Naik, a wealthy businessman, had an overdraft account with Panaji branch of a bank. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and said that he wanted the limit sanctioned on the same day. What would the branch manager do? Why?

6d. Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav entered the branch manager's cabin quite disturbed. He made a fuss and complained loudly that it was bad to ask the customer to keep waiting. What would the branch manager do? Why?

3j. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager checked the courier records and found that the fault for the delay did not lie with his branch since the cheque had been delivered in time to the Mumbai branch. What would the branch manager do? Why?

7a. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained to the branch manager that the teller was not

giving him notes of requested denomination although he had them. The manager was posted at the branch a few months ago. He recollected that Mr. George had been complaining to him about different things at the branch. What would the branch manager do? Why?

1c. Mr. Prabhu, who had taken a loan from the bank, did not pay his installments regularly. His loan account was classified as an N.P.A. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

10g/. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at a bank branch. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

9b. Branch manager of a bank was at home late in the evening. Mr. Martins, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. Mr. Martins, who was working abroad, had a non-resident external account at the branch. He requested for help, since he needed the money. What would the branch manager do? Why?

QUESTIONNAIRE 4

PART B: OPINIONS

8f/. Mr. Naik, a wealthy businessman, had an overdraft account with Borim branch of a bank. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and said that he wanted the limit sanctioned on the same day. What would the branch manager do? Why?

7a/. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said

there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained to the branch manager that the teller was not giving him notes of requested denomination although he had them. The manager was posted at the branch a few months ago. He knew Mr. George as a person who seldom complained. What would the branch manager do? Why?

3j/. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager was aware that there was some delay at his branch in sending the cheque for collection.

What would the branch manager do? Why?

1c/.Mr. Prabhu, who had taken a loan from the bank, paid his installments regularly. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

10g. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Personal banking branch of a bank. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

6d/ Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav entered the branch manager's cabin and complained politely that it was bad to ask the customer to keep waiting. What would the branch manager do? Why?

9b/. Branch manager of a bank was at home late in the evening. Mr. Martins, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. What would the branch manager do? Why?

5e/. Mr. Sheth had a saving account at a bank branch. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Mr. Sheth complained about the delay to the manager. What would the branch manager do? Why?

4h. Mr. Menezes, who had a saving account, frequently visited his bank branch to operate his account. One day, the branch manager received a letter from Regional manager about having received a letter of complaint from Mr. Menezes. The complaint was said to be about the quality of the sofa for the customers to sit and wait. Mr. Menezes had written to the Regional Manager that he was a frequent visitor at the branch and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

2i. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about the prerequisite. Mr. Shanbhag complained bitterly and requested the manager to do something for him. The branch manager had the discretion to overlook the condition provided he would take the responsibility of recovery and also convince the authorities about the solvency of the customer. What would the branch manager do? Why?

QUESTIONNAIRE 5

PART B: OPINIONS

8e. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and said that he wanted the limit sanctioned on the same day. What would the branch manager do? Why?

3j. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager checked the courier records and found that the fault for the delay did not lie with his branch since the cheque had been delivered in time to the Mumbai branch.

What would the branch manager do? Why?

5b. Mr. Souza, who was working abroad, had a non-resident external account in a bank in Goa. He visited the branch to buy a demand draft, when he had come to Goa. The clerk took more than the stipulated time for the issue of the draft. Mr. Souza complained about the delay to the manager. What would the branch manager do? Why?

9a. Branch manager of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. The manager was posted at the branch a few months ago. He recollected that Mr. Kamat had been complaining to him about different things at the branch. What would the branch manager do? Why?

10g/. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at a bank branch. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

4h/. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

1c. Mr. Prabhu, who had taken a loan from the bank, did not pay his installments regularly. His loan account was classified as an N.P.A. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

6f/ Keshav had been the customer of Borim branch of a Bank for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav complained to the branch manager. What would the branch manager do? Why?

7d/. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George went to the branch manager and complained politely to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

2i/. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about this prerequisite. He said he was helpless as far as the rules were concerned. Mr. Shanbhag complained bitterly and requested the manager to do something for him. What would the branch manager do? Why?

QUESTIONNAIRE 6

PART B: OPINIONS

3j/. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager was aware that there was some delay at his branch in sending the cheque for collection. What would the branch manager do? Why?

8e/. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and complained to the branch manager about the sloppy service. What would the branch manager do? Why?

5b/. Mr. Souza, who had a saving account in a bank in Goa, visited the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Mr. Souza complained about the delay to the manager. What would the branch manager do? Why?

10g. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Personal banking branch of a bank. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

9a/. Branch manager of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. The manager was posted at the branch a few months ago. He knew Mr. Kamat as a person who seldom complained. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

1c/.Mr. Prabhu, who had taken a loan from the bank, paid his installments regularly. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

4h. Mr. Menezes, who had a saving account, frequently visited his bank branch to operate his account. One day, the branch manager received a letter from Regional manager about having received a letter of complaint from Mr. Menezes. The complaint was said to be about the quality of the sofa for the customers to sit and wait. Mr. Menezes had written to the Regional Manager that he was a frequent visitor

at the branch and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

6f. Keshav had been the customer of Panaji branch of a bank. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav complained to the branch manager. What would the branch manager do? Why?

2i. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about the prerequisite. Mr. Shanbhag complained bitterly and requested the manager to do something for him. The branch manager had the discretion to overlook the condition provided he would take the responsibility of recovery and also convince the authorities about the solvency of the customer. What would the branch manager do? Why?

7d. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained loudly to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

QUESTIONNAIRE 7

PART B: OPINIONS

10c. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at a bank branch. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. Mr. Noronha, who had taken a loan from the bank, did not pay his installments regularly. His loan account was classified as an N.P.A. He also had a saving account. After being asked to come the next day, he went to the branch manager and complained. What would the branch manager do? Why?

8h. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and left the branch. After three days, the branch manager received a letter from Regional manager about having received a letter of complaint from Mr. Naik about the incident and the sloppy service. The letter also advised that the manager should look into the matter. What would the branch manager do? Why?

5e/. Mr. Sheth had a saving account at a bank branch. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Instead of waiting, Mr. Sheth complained about the delay to the manager. What would the branch manager do? Why?

7d/. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George went to the branch manager and complained politely to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

1a. Mr. Prabhu, a retired person, had monthly pension. The pension would be credited to his bank account every month. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. The manager was posted at the branch a few months ago. He recollected that Mr. Prabhu had been complaining to him about different things at the branch. What would the branch manager do? Why?

4b. Mr. Menezes, who was working abroad, had a non-resident external account in a bank branch in Goa. He visited the branch to operate his account, when he had come to Goa. After his work was done, he complained to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

2i. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about the prerequisite. Mr. Shanbhag complained bitterly and requested the manager to do something for him. The branch manager had the discretion to overlook the condition provided he would take the responsibility of recovery and also convince the authorities about the solvency of the customer. What would the branch manager do? Why?

9g. Branch manager of Personal Banking branch of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

3j. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager checked the courier records and found that the fault for the delay did not lie with his branch since the cheque had been delivered in time to the Mumbai branch. What would the branch manager do? Why?

6f/ Keshav had been the customer of Borim branch of a Bank for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav complained to the branch manager. What would the branch manager do? Why?

QUESTIONNAIRE 8

PART B: OPINIONS

10c/. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Sanquelim branch of a Bank. This was for

filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. Mr. Noronha, who had taken a loan from a bank, paid his installments regularly. He also had a saving account with the bank. He, however, went to the branch manager and complained. What would the branch manager do? Why?

3j/. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager was aware that there was some delay at his branch in sending the cheque for collection. What would the branch manager do? Why?

9g/. Branch manager of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help; since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

4b/. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

6f. Keshav had been the customer of Panaji branch of a bank. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav complained to the branch manager. What would the branch manager do? Why?

5e. Mr. Sheth had a saving account at a bank branch. One day he came to the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Mr. Sheth complained about the delay to the manager. He said that he would like to have the draft in next five minutes as he was in a hurry. What would the branch manager do? Why?

7d. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and

asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained loudly to the branch manager that the teller was not giving him notes of requested denomination although he had them. What would the branch manager do? Why?

1a/. Mr. Prabhu, had a monthly pension. The pension would be credited to his bank account every month. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. The manager was posted at the branch a few months ago. He knew Mr. Prabhu as a person who seldom complained. What would the branch manager do? Why?

2i/. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about this prerequisite. He said he was helpless as far as the rules were concerned. Mr. Shanbhag complained bitterly and requested the manager to do something for him. What would the branch manager do? Why?

8h/. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and complained to the branch manager about the sloppy service. What would the branch manager do? Why?

QUESTIONNAIRE 9

PART B: OPINIONS

4d/. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained politely to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a

frequent visitor and would appreciate some comfortable sitting arrangements. What would the branch manager do? Why?

9g. Branch manager of Personal Banking branch of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?

10f. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Panaji branch of a bank. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

8h. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and left the branch. After three days, the branch manager received a letter from Regional manager about having received a letter of complaint from Mr. Naik about the incident and the sloppy service. The letter also advised that the manager should look into the matter. What would the branch manager do? Why?

7a. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained to the branch manager that the teller was not giving him notes of requested denomination although he had them. The manager was posted at the branch a few months ago. He recollected that Mr. George had been complaining to him about different things at the branch. What would the branch manager do? Why?

3j/. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went

to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager was aware that there was some delay at his branch in sending the cheque for collection.

What would the branch manager do? Why?

5b. Mr. Souza, who was working abroad, had a non-resident external account in a bank in Goa. He visited the branch to buy a demand draft, when he had come to Goa. The clerk took more than the stipulated time for the issue of the draft. Mr. Souza complained about the delay to the manager. What would the branch manager do? Why?

1c. Mr. Prabhu, who had taken a loan from the bank, did not pay his installments regularly. His loan account was classified as an N.P.A. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

2i. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years at a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about the prerequisite. Mr. Shanbhag complained bitterly and requested the manager to do something for him. The branch manager had the discretion to overlook the condition provided he would take the responsibility of recovery and also convince the authorities about the solvency of the customer. What would the branch manager do? Why?

6e. Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav went to the branch manager and complained that the time stipulated as a norm for the opening of the account had already passed and he would like his work done within the next ten minutes. What would the branch manager do? Why?

QUESTIONNAIRE 10

PART B: OPINIONS

7a/. It was a busy day at a bank branch. Mr. George was standing in the queue to withdraw money from the teller. He gave the cheque to withdraw Rs. 5000/- and asked the teller to give him five bundles of Rs. 10/- denomination. The teller said there were only five bundles with him and he would need ten rupee notes to make smaller payments. He requested Mr. George to accept two bundles instead. Mr. George made a fuss and complained to the branch manager that the teller was not giving him notes of requested denomination although he had them. The manager was posted at the branch a few months ago. He knew Mr. George as a person who seldom complained. What would the branch manager do? Why?

6e/ Keshav had been the customer of a bank branch for many years. He went to the branch with his wife to open a recurring deposit account in her name. The clerk who usually did the work was absent and another clerk of another department was asked to open the account. Being busy, she asked customer to wait and started the work of opening the account only after ten minutes. After twenty minutes when his work was still not done, Mr. Keshav entered the branch manager's cabin quite disturbed and complained that it was bad to ask the customer to keep waiting. What would the branch manager do? Why?

3j. Mr. Fernandes has been a customer of a bank branch for several years. He is now retired. The Company where he worked had an account in the Mumbai branch of the same bank. He received from the Company a cheque for Rs. 2 lakhs towards his provident fund. He deposited the cheque in his account at the branch in Goa. He went to the branch the next week to inquire whether the proceeds had been credited. The proceeds had not been credited. After eleven days when he had still not received the credit, he complained to the manager. The manager checked the courier records and found that the fault for the delay did not lie with his branch since the cheque had been delivered in time to the Mumbai branch. What would the branch manager do? Why?

5b/. Mr. Souza, who had a saving account in a bank in Goa, visited the branch to buy a demand draft. The clerk took more than the stipulated time for the issue of the draft. Mr. Souza complained about the delay to the manager. What would the branch manager do? Why?

4d. Mr. Menezes, who had a saving account, visited his bank branch to operate his account. After his work was done, he complained loudly to the branch manager about the quality of the sofa for the customers to sit and wait. He said he was a frequent

visitor and he certainly deserved some comfortable sitting arrangements. What would the branch manager do? Why?

2i/. Mr. Shanbhag, a businessman, was having saving and cash credit accounts for around eight years a bank. He was the owner of a small hotel, which was running quite well. Mr. Shanbhag approached the branch manager for a housing loan of Rs. 6 lakhs. One of the conditions for the loan was that in case of businessmen, the income tax return should indicate an annual income of Rs. 2 lakhs. Mr. Shanbhag's return showed an annual income of Rs. 1,80,000. The manager informed Mr. Shanbhag about this prerequisite. He said he was helpless as far as the rules were concerned. Mr. Shanbhag complained bitterly and requested the manager to do something for him. What would the branch manager do? Why?

1c/. Mr. Prabhu, who had taken a loan from the bank, paid his installments regularly. He also had a saving account. One day, he visited the branch to get his passbook updated. It was a computerized branch. But a little while ago, the printer had broken down. The clerk informed Mr. Prabhu that the printer was out of order, and requested him to come the next day. Mr. Prabhu complained to the manager. What would the branch manager do? Why?

10f/. In June, there were large number of customers asking for balance confirmation statements and/or statements of accounts at Sanquelim branch of a Bank. This was for filing returns. The customer was normally asked to collect the certificate the next day. Mr. Noronha, a customer, was also asked to come the next day. He, however, went to the branch manager and complained. What would the branch manager do? Why?

8h/. Mr. Naik, a wealthy businessman, had an overdraft account with a bank branch. The conduct of the account had been quite satisfactory. One day he asked for an increase in the overdraft limit by one lakh rupees. He said he would furnish the necessary security and asked the officer in charge what documents would be needed. The officer briefed him about the necessary documents. After two days, Mr. Naik went to the branch with the documents and asked the manager to sanction the additional limit. The manager found that he needed one more document, which wasn't mentioned to Mr. Naik by the officer. He requested Mr. Naik to produce the document before he could sanction the additional overdraft limit. Mr. Naik looked upset and complained to the branch manager about the sloppy service. What would the branch manager do? Why?

9g/. Branch manager of a bank was at home late in the evening. Mr. Kamat, a customer telephoned him and complained that the ATM took away his card after he typed in his Personal Identity Number. He requested for help, since he needed the money. He said that he had no idea of such a possibility with ATM. What would the branch manager do? Why?