

# Effects of Grievance Handling on Organizational Commitment among National Hospital Insurance Fund (NHIF) Employees, Thika Branch

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**Abstract:** *A number of studies have reported a significant association between organizational commitment and labour turnover. For this reason, the HR managers need to put more emphasis on grievance handling procedures. However, in most Kenyan firms like National Hospital Insurance Fund (NHIF), it has been shown that employees tend to have low levels of commitment. This has been directly linked to excessive bureaucracy in processes and procedures, non-optimal utilization of resources, lack of effective communication mechanisms, and lack of reward systems and capacity building for employees. However, there is no empirical evidence to show if the factors associated with grievance handling at NHIF Thika Branch have improved employee commitment or not; it isn't clear whether the factors have had a positive effect or not. The study therefore sought to determine the effect of grievance handling on organizational commitment among National Hospital Insurance Fund employees, Thika Branch. The objectives of the study were to establish how grievance handling procedures and causes of employee grievances affect employee commitment. The study adopted a descriptive research design. The target population for the study was 50 employees in NHIF, Thika Branch, and from which a sample of 46 respondents was drawn for the study. The researcher employed Simple random sampling technique to select the samples for the study. The study used questionnaires to collect primary data from the respondents. The data collected was analyzed by the use of descriptive statistics (frequencies and percentages) and inferential statistics (Chi-square test). Chi-square test was undertaken to determine and explain the relationship between the variables. The study findings revealed that grievances at NHIF Thika branch were handled to the employees' satisfaction, which enhances their commitment to the work place. The study also found that the causes of grievances most likely to affect employee commitment at NHIF Thika branch were: chances of promotion, safety and healthy environment as well as job content and working conditions.*

**Keywords:** Employee Commitment, Grievance Handling Procedures, Causes of Employee Grievances, National Hospital Insurance Fund, Thika Branch

## 1. Introduction

A grievance may be defined as any dispute that arises between an employer and employee, which relates to the implied or explicit terms of the employment agreement (Hunter & Kleiner, 2004). The formal mechanism for dealing with such worker's dissatisfaction is called grievance procedure. A grievance procedure is necessary in large organization which has numerous personnel and many levels with the result that the manager is unable to keep a check on each individual, or be involved in every aspect of working of the small organization. The primary value of grievance procedure is that it can assist in minimizing discontent and dissatisfaction that may have adverse effects upon employee commitment and productivity (Lawrence & Dwayne, 2007).

Organizations are faced with ever-increasing competition and as they prepare for new challenges, one of the key components of survival is maintaining and upgrading the organization's ability to use human resources effectively and efficiently. However, If employers wish to build commitment, they should create an environment of fairness, trust, care and concern by acting consistently in ways that employees perceive as fair,

trusting and caring (Bragg, 2002). It is believed that maintaining high levels of commitment in employees is critical for organizational success because it is believed that committed employees will act in the best interest of an organization (Fischer, 2004).

## 2. Statement of the Problem

Human resource (HR) plays a very important role in the business' success. Organizations recognize that people are the organizations' primary resource and hence more emphasis on HR and how they can achieve their goals through them (Francis, 2003). A number of studies have reported a significant association between organizational commitment and labour turnover. For instance, Tang, Kim, and Tang (2000) confirmed the link between commitment and actual turnover and Griffeth, Hom, and Gaertner (2000) showed that organizational commitment was a better predictor of turnover than overall job satisfaction. For this reason, the HR managers need to put more emphasis on grievance handling procedures. However, in most Kenyan firms like NHIF, it has been shown that employees tend to have low levels of commitment. This has been directly linked to excessive

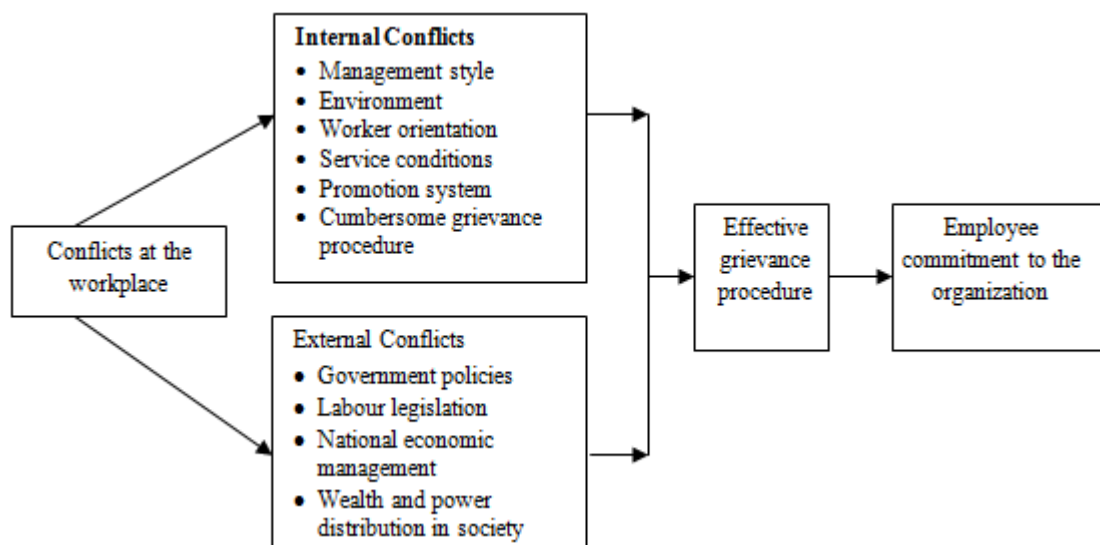
bureaucracy in processes and procedures, non-optimal utilization of resources, lack of effective communication mechanisms, and lack of reward systems and capacity building for employees. Furthermore, it has been noted that NHIF'S HR Strategy has focused mainly on the organization and not the employees. This could be one of the reasons as to why there are a lot of disgruntlements among the NHIF employees, especially regarding the grievance procedure and its application (NHIF, 2006). However, there is no empirical evidence to show if the factors associated with of grievance handling at NHIF and specifically, Thika Branch have improved employee commitment or not; it isn't clear whether the factors have had a positive effect or not. The study therefore sought to determine the effect of grievance handling on organizational commitment among National Hospital Insurance Fund employees, Thika Branch.

### 3. Purpose of the Study

The main purpose of this study was to establish the effect of grievance handling on organizational commitment among National Hospital Insurance Fund employees, Thika Branch. Specifically, the study sought to determine how grievance handling procedures and causes of employee grievances affect employee commitment focusing on NHIF Thika Branch.

### 4. Literature Review

The chapter presents a summary of the literature based on the research topic and the study objectives. It contains the conceptual framework figure illustrating the relationship between the study variables.



**Figure 1: Conceptual Framework**

### 5. Methodology

The study adopted descriptive research design as it was appropriate because it explores and describes the relationship between variables in their natural setting without manipulating them. The target population for the study was 50 employees in NHIF, Thika Branch, and from which a sample of 46 respondents was drawn for the study. Primary data was collected through the use of questionnaires, whereas secondary was obtained through existing literature related to the current research topic under study. Quantitative data was analyzed using descriptive statistical tool namely frequencies and percentages while inferential statistical tool namely will Chi-square test was used to determine and explain variables relationship; through SPSS version 21 computer program. The qualitative data was analyzed using content analysis based on analysis of meanings and implications emanating from respondent information and comparing responses to documented data on employee commitment.

### 6. Results and Analysis

#### 6.1 Grievance Handling Procedures

The first objective of the study sought to determine the grievance handling procedures employed in National Hospital Insurance Fund (NHIF). To achieve this, the respondents were given a series of questions whose answers would address the objective. The respondents were first asked some questions which required them to reply either in the affirmative or negative. As shown in table [1], almost all 44 (97.8%) of the respondents indicated that NHIF follows procedure in handling employee grievances, only 1 employee reported that procedure was not followed. Twenty four (53.3%) of the respondents indicated that they had experienced grievances that needed handling by management while 21 (46.7%) had not. All the 24 (53.3%) of the respondents who had experience grievances that needed handling by management reported that their grievances were handled effectively. This is a strong indicator that grievances at NHIF Thika branch were handled

to the employees' satisfaction, which would likely enhance their commitment to the workplace.

**Table 1: Grievance Handling Procedures**

Item	Yes		No	
	Frequency	Percent	Frequency	Percent
Does NHIF follow any procedures in handling employee grievances?	44	97.8	1	2.2
Have you ever had a grievance that needed handling by management?	24	53.3	21	46.7
Was the grievance you reported handled effectively?	24	53.3	21	46.7
Total	45	100.0	45	100.0

### 6.2 Causes of Grievances

The second objective of the study sought to establish the causes of employee grievances at NHIF, Thika branch. To address this objective, the respondents were given a list of causes of grievances and were required to tick against those that applied to them and give more. From the findings as shown in table [2], the biggest cause of grievance among employees at NHIF Thika branch was chances of promotion as indicated by 22 (48.9%) of the respondents, and 9 (20%) of the respondents indicated safety and healthy environment as a cause of grievance while 6 (13.3%) of them indicated job content and working conditions as causes of grievances.

**Table 2: Grievance Handling Procedures**

Cause of grievance	Frequency	Percentage
Chances of promotion	22	48.9
Job content and work condition	6	13.3
Compensation and benefits	3	6.7
Treatment by supervisor and other employees	2	4.4
Safety and healthy environment	9	20.0
Lack of feedback	2	4.4
Style of management	1	2.2
Total	45	100.0

### 6.3 Effect of Grievance Handling Procedures on Employee Commitment

From the findings as shown in table [3], the chi-square test revealed that grievance handling procedures have a significant effect on employee commitment. At NHIF Thika branch, the grievance handling procedures employed had a positive effect on employee commitment. The results agree with those of Randolph and Blanchard (2007) established that employee work-related concerns and grievances which Similarly, Randolph and Blanchard established that employee work-related concerns and grievances which are not promptly and effectively resolved result in: lost productivity and lower quality work, products and customer services, distraction from corporate goals and loss of confidence and communication between employees, managers and supervisors; low morale and job satisfaction which can lead to industrial problems, increased absenteeism and increased staff turnover, and loss

of reputation to the employee and lost working time of everyone involved.

**Table 3: Chi-square test**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.655 <sup>a</sup>	2	.098*
Likelihood Ratio	5.200	2	.074
Linear-by-Linear Association	3.824	1	.051

\*significant at  $p=0.05$

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