

ASSESSMENT OF THE PERFORMANCE MANAGEMENT SYSTEM AT HDFC BANK**RENSON JOHN**

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ABSTRACT

Performance Management is a new name being given to Performance Appraisal system. Here the thrust is on management of performance by planning, reviewing and developing it and not just judging the performance. The performance target are set by superior subordinate participation and a quarterly review is being made to correct the deviations identified and accordingly take developmental actions. In previous performance application system, the performance was merely judged at the end of the year and the manager assumed the role more of a judge than a mentor or a coach. This was not appreciated by the employees and hence it created a growing resentment against the system. In PM the motive is to manage the performance throughout the year and not just judging it at the end of the year. The main aim is development of performance to make it reach to the level of excellence. The main objective of this study is assessing the performance management system at HDFC Bank.

Keywords: Performance management, Performance management system, Personnel management department, Scheduled bank

INTRODUCTION

Human resource is one of the greatest assets of a company. The human resources department looks after the discipline, welfare, industrial relations and the general administration of the statutory security of the employees. Human resources department was initially referred to as the personnel management department and was mostly concerned with the monitoring tasks while today a human resources department has evolved into managing the manpower being involved in it from within.

This department aims at attaining maximum individual development, desirable work atmosphere and effective moulding of human resources. Human resource management is the backbone of every organisation. In the present complex environment no business or organisation can exist without appropriate human resources. And hence today, human resource has come to be the focus of attention of every progressive organisation.

This paper tries to analyse such a performance management system implemented at the HDFC bank and to determine how effective it is in achieving its objectives. The study has been conducted for a period of 2 months. The analysis is based on the feedback that was accessed with the aid of a questionnaire from the employees. Random sampling is the methodology used

for data collection. A statistical analysis was conducted on the collected data and the inference hence obtained was used to determine the efficiency of the system and also point out its drawbacks and the possible corrective measures that can be implemented by the organisation to improve the existing system.

STATEMENT OF THE PROBLEM

Performance management system at the bank helps the organisation analyse the performance of the employees, find out discrepancies in the performance quality and take and advice corrective measures to get the required results. Thus this study attempts to analyse the performance management system at the bank and to find out its impact on the performance of the personnels. The study has been based on first hand data collected from the employees with the aid of a questionnaire. Keeping in mind that the products offered by every bank is the same, the only aspect were a bank can make itself look more preferable is through more professional and enthusiastic workforce. Performance management system at the bank is one step towards this efficient workforce. This study helps the bank analyse the efficiency and effectiveness of its PMS system and take up measures to improvise it.

OBJECTIVES

- To study the satisfaction among the employees towards the performance management system.
- To study the adequacy of the number of review meetings conducted at the organisation.
- Whether the appraisal system follows the following guidelines:
 - Transparent and confidential
 - Ongoing and In-depth

METHODOLOGY

Forty employees of HDFC BANKs at various places in the ernakulam district form the sample for the present study. Both primary and secondary data has been used for the study. Primary data has been collected by using questionnaire. Secondary data has been collected from various sources like Books, Journals, Magazines, Articles, Websites etc.

DATA ANALYSIS AND INTERPRETATION

The data after collection has to be processed and analysed in accordance with the outline laid for the purpose at the time of developing the research plan. This is essential for the scientific study and for ensuring that all the relevant data has been collected for making comparison and analysis. Technically, processing implies, coding, classification and tabulation of the collected data so that they are ready and easy for analysis.

Analysis of data means critical examination of data for studying the characteristics of object under study and for determining the pattern of relationships among the variables relating to both quantitative and qualitative methods.

Interpretation refers to the technique of drawing inference from the collected facts and explaining the significance of those inferences after an analytical and experimental study. It is a search for broader and more abstract means of the research findings.

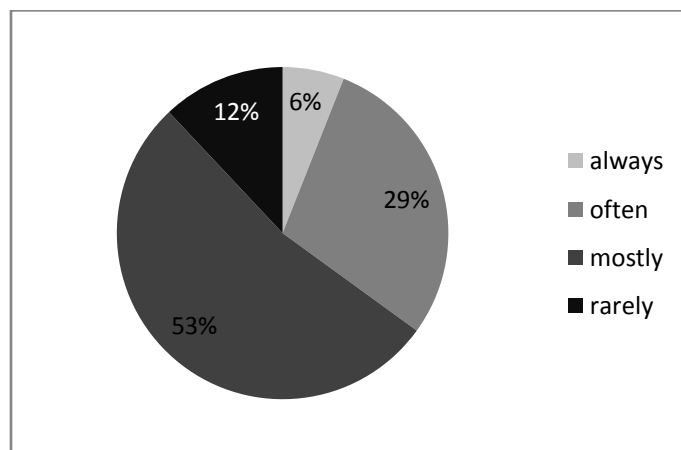
In this study, the data collected was analysed and then tabulated in the form of tables. These tables have also been graphically represented in the form of charts. The data was processed using percentage method.

Table 1 : IMPACT OF PRERFORMANCE MANAGEMENT SYSTEM

Table shows the extent to which the employees believes that the performance management system at the bank duly serves its purpose.

	Response	No of respondents
1	Always	6
2	Often	29
3	Mostly	53
4	Rarely	12

CHART NO 1: IMPACT OF PRERFORMANCE MANAGEMENT SYSTEM



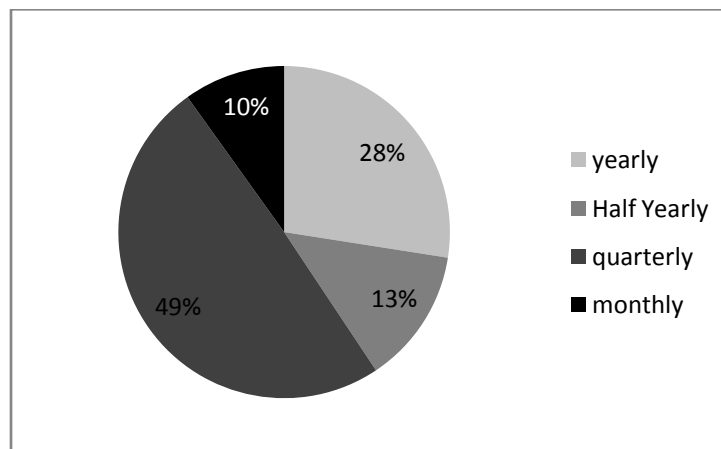
Inference

The above table shows that only 6% of the respondents agree that the performance management system at the bank duly serves its purpose always. 29% says that it often serves its purpose. A big majority of 53% of the respondents say that the performance system at the bank duly serves its purpose only mostly and yet another 12% says that the purpose is served only rarely.

Table 2: FREQUENCY OF REVIEW MEETINGS

Table showing the frequency at which the performance review meetings are conducted at your department or branch.

	Response	No of respondents
1	Yearly	28
2	Half Yearly	13
3	Quarterly	49
4	Monthly	10

CHART NO 2: FREQUENCY OF REVIEW MEETINGS

Inference

The above table shows that 28% of the respondents have their review meetings only once in a year. 13% of them have their review meetings once in 6 months. A huge 49% of them have their review meetings once every quarter. 10% have their review meetings once every month. Hence

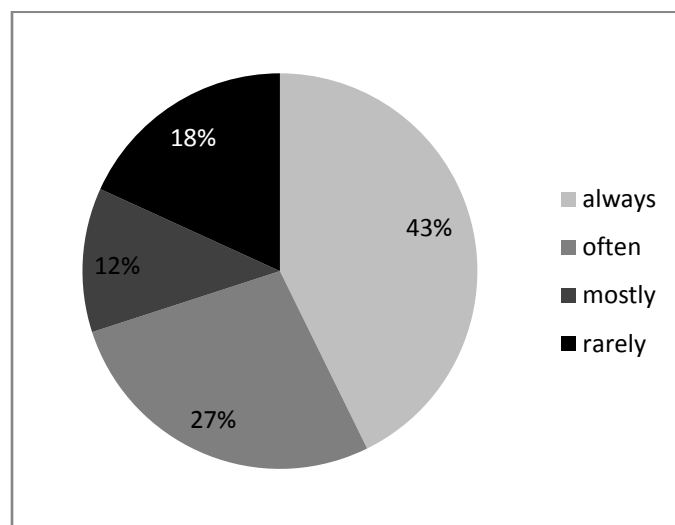
we can interpret that the frequency of the review meetings vary according to the designation and the department to which they belong to.

Table 3 : AWARENESS OF KEY PERFORMANCE AREAS

Table showing the awareness among the employees regarding their key performance areas.

	Response	No of respondents
1	Always	43
2	Often	27
3	Mostly	12
4	Rarely	18

CHART NO 3 : AWARENESS OF KEY PERFORMANCE AREAS



Inference

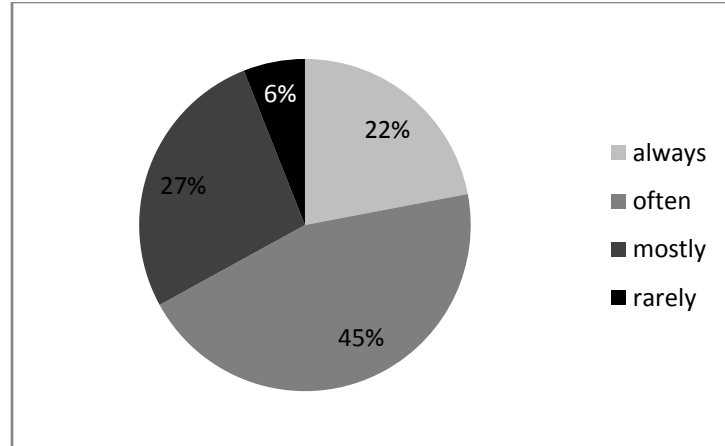
A huge majority of the respondents reported that they were always aware of the key performance areas assigned to them. Another 27% of them said that they were often aware of the key performance areas assigned to them. Around 12% of them said their awareness was vague. A noticeable 18% of them said that they were rarely aware of their key performance.

Table 4: IMPARTIALITY OF SUPERVISORS

Table shows the opinion of the employees regarding the genuineness and impartiality of the superiors and the supervisors while rating their performance.

	Response	No of respondents
1	Always	22
2	Often	45
3	Mostly	27
4	Rarely	6

CHART NO 4: IMPARTIALITY OF SUPERVISORS



Inference

The table shows that a noticeable 22% of the respondents said that their supervisors were always impartial in rating their performance. A huge chunk of the respondents said that their supervisors were often impartial in rating them. 27% of them said that they were mostly impartial. While a small but costly 6% of the employees felt that the rating of their performance was not impartial.

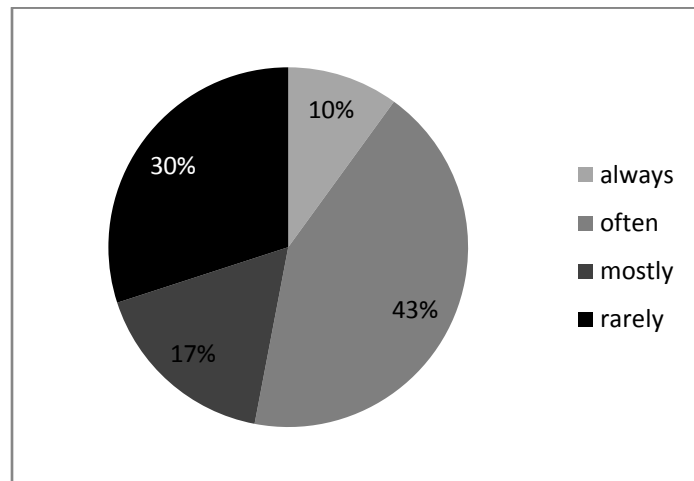
Table 5 : IMPACT OF TIME GAP BETWEEN REVIEW MEETINGS

Table shows whether according to the employees the time gap between the review meetings hinders the impact of the mentoring provided by the supervisors.

	Response	No of respondents
1	Always	10
2	Often	43
3	Mostly	17

4	Rarely	30
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CHART NO 5: IMPACT OF TIME GAP BETWEEN REVIEW MEETINGS



Inference

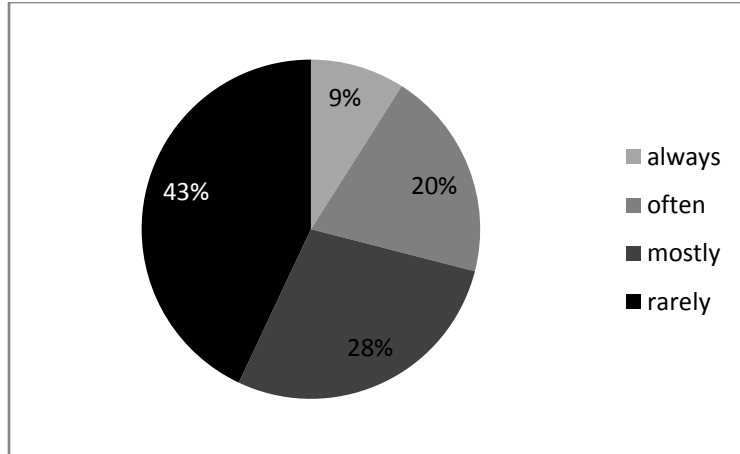
The table shows that 10% of the employees who form the part of the population said that the time gap does hinder the relation that the employees have with their mentors and also hinders the effect of the mentoring. A huge 43% said that the time gap often poses an obstruction towards the review meetings achieving their full impact. A 17% says the mentoring effect mostly gets hindered and a 30% says the relation rarely gets hindered due to the time gap.

Table 6 : DISCLOSURE OF RESULTS

Table showing whether the results of the review meetings are revealed to the employees

	Response	No of respondents
1	Always	9
2	Often	20
3	Mostly	28
4	Rarely	43

CHART NO 6: DISCLOSURE OF RESULTS



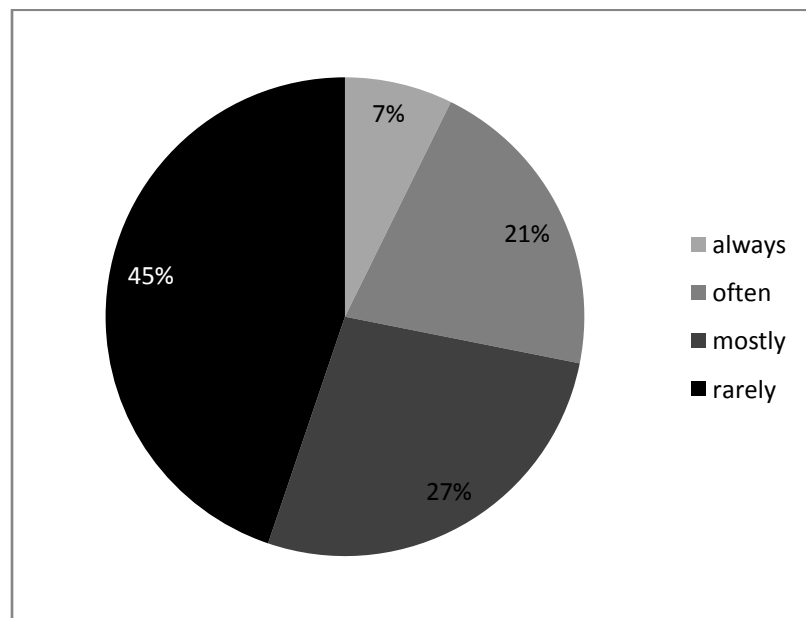
Inference

The graph shows that 9% of the respondents reported that the results are always conveyed to them. 20% of the respondents said that the results are often conveyed to them and 28% of the respondents were of the opinion that the results were only mostly conveyed to them. And a huge majority, over 43% said that the results were never conveyed to them.

Table 7 : INCENTIVES BASED ON RESULTS OF PMS

Table showing the awareness among the employees regarding their key performance areas.

	Response	No of respondents
1	Always	7
2	Often	21
3	Mostly	27
4	Rarely	45

CHART NO 7: INCENTIVES BASED ON RESULTS OF PMS**Inference**

The table shows that 7% of the respondents said that their incentives were being paid to them on the basis of the results of the performance appraisal while on the other hand 45% of them said this was not so. 21% of them said incentives were often based on PMS results while 27% said it was mostly based on PMS results.

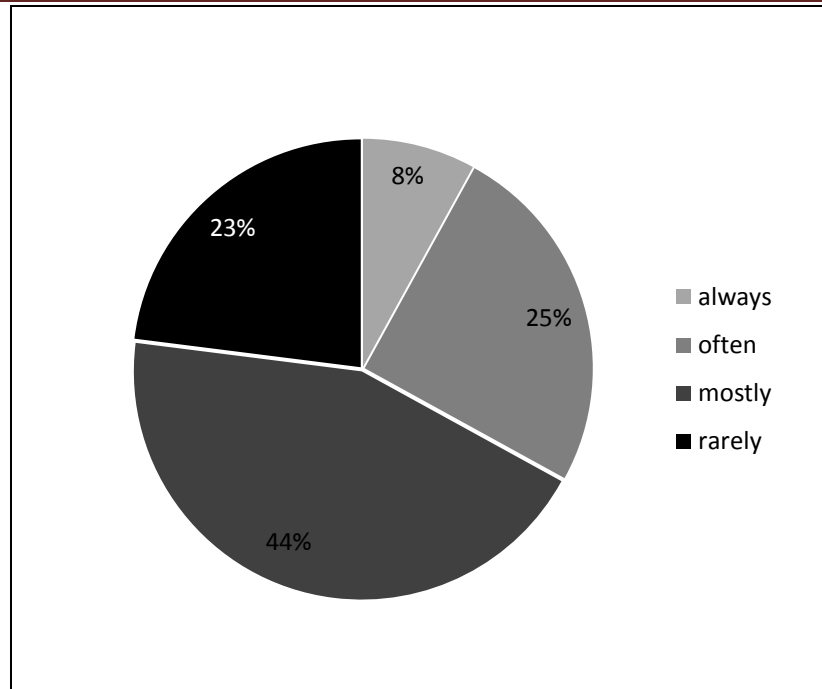
Table 8 : ADEQUACY OF TIME

Table shows the work appropriateness of the time that they get to spend

With their superiors to build a good relation and to voice concerns over work.

	Response	No of respondents
1	Always	8
2	Often	25
3	Mostly	44
4	Rarely	23

CHART NO 8: ADEQUACY OF TIME



Inference

A huge majority of the respondents reported that they mostly get enough time to spend with their superiors to build strong and happening relationships. 25% of them said that they often get enough time. Around 8% of them said they always get enough time. A noticeable 23% of them said that they rarely get to spend quality time with their superiors/supervisors.

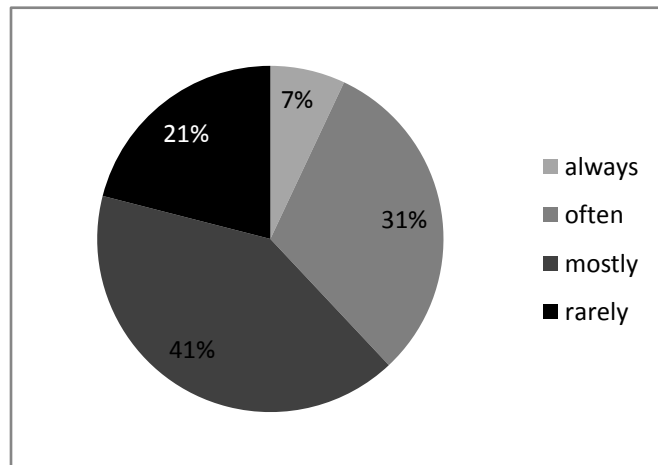
Table 9 : EFFICIENCY IF REVIEW MEETINGS IN ANALYSING PERFORMANCE

Table showing the opinion regarding the efficiency of the review meetings in analysing their performance and realising their potential.

	Response	No of respondents

1	Always	7
2	Often	31
3	Mostly	41
4	Rarely	21

CHART NO 9 : EFFICIENCY IF REVIEW MEETINGS IN ANALYSING PERFORMANCE



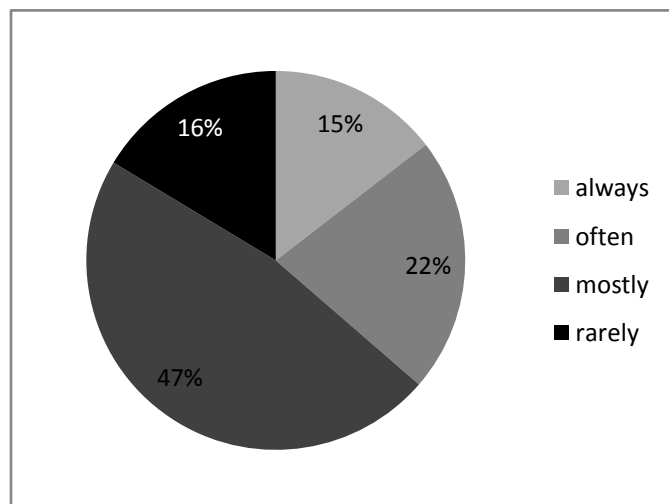
Inference

The table shows that 7% of the employees felt that the review meetings are effective in analysing the performance and on helping the employees realise their potential. 31% claimed that the review meetings were often effective and 41% believed that it was only mostly effective and 21% felt that the review meetings were not effective enough.

Table 10 : BENEFITS TO THE ORGANISATION

Table showing whether the performance management system at the bank is beneficial for the organisation.

	Response	No of respondents
1	Always	15
2	Often	22
3	Mostly	47
4	Rarely	16

CHART NO 10: BENEFITS TO THE ORGANISATION

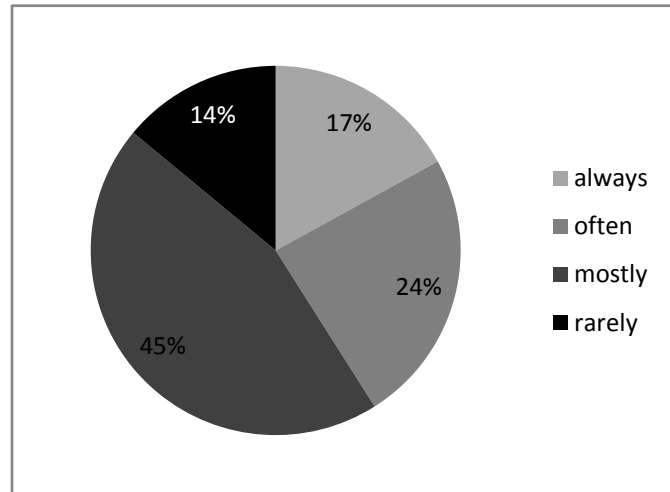
Inference

The graph shows that 15% of the respondents felt that the performance management system at the bank is always beneficial for the organisation. 22% of the felt that the performance management system at the bank is often beneficial while a high percentage of 47% believed that the system is mostly beneficial to the bank and 16% say that the system is rarely beneficial to the bank. .

Table 11 : INCREASE IN NUMBER REVIEW MEETINGS VS PERFORMANCE

Table showing whether an increase in the number of review discussions will help the employees better achieve their potential

	Response	No of respondents
1	Always	17
2	Often	24
3	Mostly	45
4	Rarely	14

CHART NO 11: INCREASE IN NUMBER REVIEW MEETINGS VS PERFORMANCE**Inference**

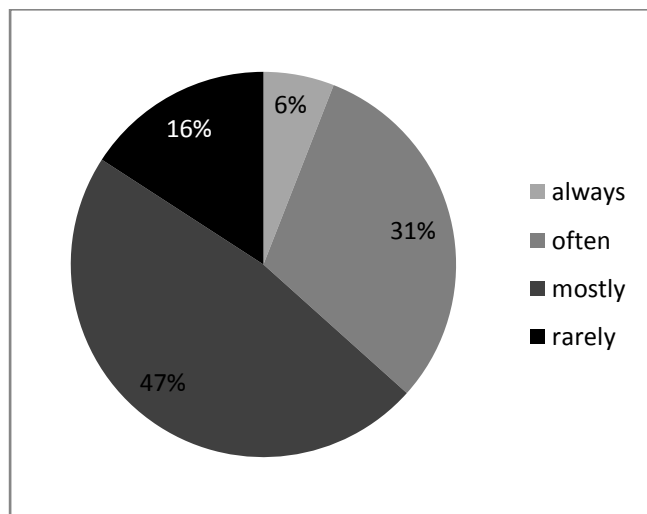
The graph shows that 17% of the respondents felt that an increase in the number of performance review meetings will surely help them achieve their potentials better. 24% believe s that it would often prove to be helpful. 45% of them agreed that it would mostly prove to be useful to yield better results. 14% of them were of the opinion that an increase in the number of review meetings will rarely be helpful in increasing the chances of the employees performing better.

Table 12 : ADEQUACY OF DICUSSION DURING REVIEW MEETINGS

Table showing whether all the aspects that need discussion are covered during the review meetings.

	Response	No of respondents
1	Always	6
2	Often	31

3	Mostly	47
4	Rarely	16

CHART NO 12: ADEQUACY OF DISCUSSION DURING REVIEW MEETINGS**Inference**

The graph shows that 6% that all the relevant aspects are always discussed during the review discussions. 31% says that this happens often. A huge 47% says that all the aspects are discussed mostly and 16% says that this kind of indepth discussion happens rarely.

FINDINGS OF THE STUDY

1. The employees were seen to be not always often satisfied with the performance management system at the bank but were only mostly satisfied. This implies that the bank needs to take measures to make the program more satisfying and acceptable to the employees.
2. The employees were found to be only mostly satisfied with the number of performance management system. Hence the employees wanted the review discussion meetings to be conducted more frequently.
3. The performance management system implemented at the bank can be said to be transparent, confidential, ongoing and indepth.
4. It is seen that the frequency of the review meetings varies from cadre and between departments.
5. 71% of the employees were against the opinion that the PMS system be assigned to an external agency in order to make it more bias free.
6. It is seen that the incentives at the bank are not given on the basis of the results of the PMS System.
7. The employees do not appreciate performance management system since it analysis or they are subject scrutiny.
8. The framework created by the organisation for the working of the performance management system is broad and adequate but its implementation does not make use of all these provisions.

SUGGESTIONS

1. The performance review meetings should be conducted on a regular basis preferably on a quaterly basis for all the employees.
2. An atmosphere of mutual trust and understanding should come to exist within an organisation to ensure the success of the performance management system. This can be made possible if the managers share a friendly with the employees through staff meetings
3. Providing a well defined job description to the personnels ensures better performance from their side.
4. Results of the review meetings needs to be revealed to candidate through review meetings after assessing him/her so that she can know where they stand and if made to realise their potential they stand a better chance of contributing to the growth of the organisation.
5. Review meetings need to be made constructive and should aim at the growth of both the organisation as well as the personnel.

CONCLUSION

Performance management system at a bank is very much essential for the bank to ensure that its employees perform and that too, to the stretch of their potential. It helps the organisation keep track of its employees and their performance and thereby have a control on the progress of the organisation towards its goals. Review meetings, the most important part of the PMS system, can help employees realise their potential, find out the drawbacks in their current performance and take the necessary corrective steps. The study shows that not all employees are completely satisfied with the PMS system at the bank. The respondents believe that an increase in the frequency of the review meetings will improve performance. Respondents believe that the frequency of the review meetings are adequate in most situations but not often enough. The study shows that the respondents feel that the PMS system at the bank is reliable in most situations.

To bring out the full impact the performance management system it needs to be conducted on a quarterly basis. Results of the review meetings needs to be revealed to candidates through effective feedback system after assessing him/her so that he/she can know where they stand and if made to realise their potential they stand a better chance of contributing to the growth of the organisation. Review meetings need to be made constructive and should aim at the growth of both the organisation as well as the personnels. What might stand as an obstacle in the path of the bank when it comes to increasing the number of review meetings is the cost factor involved. The bank will need to conduct a cost benefit analysis before taking any step towards this direction.

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