

Chapter 4 Data Analysis

The research methodology and the techniques of analyzing the data have been detailed in the previous chapter. This chapter presents an analysis of the primary data through semi structured interviews conducted with respondents selected from the senior officials of Muslim Commercial Bank Pakistan. The other objective of this chapter is to enable the reader understand the important view points on the research topic that have been developed from the interviews.

4.1 Introduction

In any analysis of data it is important that certain basic factors are cleared so that there can be an effective conclusion reached. This includes the considerations of the source of data, whether the data has been peer-reviewed before analysis, the methods used for collection of data, whether proper comparisons have been made with other available information and data and the context under which the data and information were presented for analysis.

In the current study, being of a qualitative nature there was no necessity to collect any quantitative data for analysis, review, and comparison. The qualitative information on the performance appraisal of Muslim Commercial Bank was gathered using structured interviews conducted with the senior officers of the Bank. Since the study was focusing on the performance appraisal of the particular bank there was no need to collect any other information from alternative sources for peer-review or comparison. Thus the analysis of the information gathered is limited to the extent of a comprehensive presentation of the inferences, opinions, and view points of the respondents which are relevant to the study. As far as the context of the presentation of data is concerned, the issue of performance appraisal was one of key management tools for any organization and hence it is of utmost importance that the MCB has installed a system which has been time tested over the period. Due to this fact the information provided by the

respondents from MCB can be considered as having been provided out of established sources and system.

4.2 Information Collected

The questions were focused on some of the main issues concerning the performance appraisal system, for collecting the required information for completing the study on the effectiveness of the performance appraisal system in the Muslim Commercial Bank. Interviews were conducted from the senior officials of the following departments who have the authority to make appraisals of their subordinates.

- Deputy General Manager – Corporate Banking
- General Manager – Personal Banking
- Assistant General Manager – Consumer Banking
- Assistant General Manager – Human Resources Department
- Assistant General Manager – Legal Department
- Regional Manager – Karachi Regional Office

Since the study was centered round the performance appraisal systems governing the middle level and entry level officers, the questions were so framed that respondents being the senior leaders of the Bank were able to provide objective information on the performance of the officers. This is possible because the number of employees whose performance is being assessed by them is less in number.

The questions were framed covering the following broad aspects of performance appraisal system in the Muslim Commercial Bank to enable the respondents to express their view points so that the study will be able to arrive at plausible answers to the research questions already framed.

- (1) The objectives of the performance appraisal system in general
- (2) Respondents' knowledge on different kinds of performance systems
- (3) Format of performance appraisal

- (4) Criteria for assessment of the performance of the subordinates
- (5) Fixation of Performance targets and areas of knowledge
- (6) Attitudes of the subordinates
- (7) Impact on the respondents
- (8) Reward and recognition for good performers
- (9) Techniques for counseling the poor performers
- (10) Effectiveness of the appraisal systems
- (11) Weaknesses identified in the appraisal system
- (12) Interaction with HR Department
- (13) Appraisal systems for the development of the subordinates
- (14) Assessment of training needs
- (15) Suggestions for Improvement

A detailed review of the views expressed by the respondents is presented below:

4.3 Objectives of the Performance Appraisal System

On the question of identification of the objectives of the performance appraisal systems in general the respondents identified the following objectives as the important ones.

- (1) Improving the current performance of the employees was identified as the most important objective of the performance appraisal systems in general by almost all the respondents
- (2) To assist the employee in his own development was the next objective identified by the interviewees
- (3) Most of the respondents were of the view that the performance appraisal systems are intended to provide a feedback to the employees and also providing counseling to those who could not reach the required level of performance
- (4) Determination of the training needs of the employee was also another objective of the performance appraisal systems identified by the respondents

- (5) Yet another objective for the performance appraisal system in general identified by the respondents is to assess the employee performance for reviewing the pay rises and performance bonuses.

4.4 Different Kinds of Performance Systems

The respondents to the interviews were asked to indicate the different kinds of performance appraisal systems that in their opinion are helpful in assessing the performance of the subordinates. The different systems proposed by them include:

- (1) Personality based appraisal system which is used by the supervisors to rate the subordinates according to the personality traits of the employees. However this system can not be of much help as it is highly subjective in nature
- (2) Competence based performance appraisal system which uses the analysis of the jobs being performed by the subordinates and the skill level he exhibits in completing the jobs to which he or she is assigned.
- (3) Result based performance appraisal system which takes into account the final results achieved by the employees. This system does not take into account the personality traits or deficiencies of the employees.

4.5 Format for Performance Appraisal

The officials of the Bank were asked to give their comments on the existing format being used by the Bank presently. The officials commented that the present format for the appraisal of the performance being used by the Bank is too lengthy and not abstract enough to be precise. They also felt that separate forms should be made use of for the different levels of the employees. The present format consists of about 6 pages in length which contains more details and the format should be thoroughly reviewed as it has been introduced quite some time back and hence some

of the details may not have any utility in the process of appraisal of the performance of the employees. The format also has not taken advantage of the development in the information and communication technology in the sense that most of the personal details relating to the employee need to be handwritten which could be easily mechanized to improve the effectiveness of the system

4.6 Criteria for Assessment of the performance of the subordinates

According to the officials of the Bank, interviewed for the purpose of completion of this study have pointed out that the general assessment of the performance of the employees is done on the basis of allocation of points ranging from 3.5 on the higher level and 1.5 on the lower level with a maximum possible points of 49. The criteria listed are:

- 1) Attendance & Punctuality
- 2) Commercial / Business Awareness
- 3) Decision Making
- 4) Staff Management Skills
- 5) Technical Job Knowledge & Application
- 6) Time Management & Organization Skills
- 7) Communication Skills
- 8) Quality Service
- 9) Customers Service
- 10) Initiative – Fertility of Ideas
- 11) Behavior with Superior and colleagues
- 12) Potential Leadership Quality
- 13) General Reputation
- 14) Moral / Performance Integrity / Confidentiality

4.7 Fixation of Performance Targets and areas of Knowledge

Presently the Bank follows a system of assessing the performance of the officers who are in the level of the managers and who work in the branches by measuring the performance in the following heads and the rating scale ranges from 2 to 4 with a maximum point of 44.

- 1) Deposit
- 2) Profit
- 3) Advances
- 4) Recovery of Bad Debts / Improvement in Asset Portfolio
- 5) Knowledge of Foreign Trade
- 6) Knowledge of Credits
- 7) Knowledge of Gen Banking
- 8) Disposal of Work
- 9) Competency
- 10) Organizational Ability
- 11) Accuracy and Efficiency
- 12) Willingness / Readiness to Accept Responsibilities
- 13) Stress Management
- 14) Inspection Category

4.8 Attitudes of the Subordinates

The officials interviewed were asked to express their experience on the changes in the attitudes of the employees on announcing the appraisal results. The respondents pointed out that the attitudes of the subordinates can be viewed from the following angles, once the assessment result are announced.

- (1) Attitudes about outcomes after the assessment
- (2) Level of job satisfaction after the assessment
- (3) Expectations of receiving a desired reward or pay rise and

(4) Involvement or loyalty to organization after assessment

According to the officials, the attitudes of the poor performers as well as the good performers who feel that they have not been rewarded appear to be the same in general. Because if the good performers' expectation for rewards are not met to their satisfaction they also tend to have a temporary attitudinal problem for some short time after the assessment results and the rewards are made known. The attitudinal impact lingers for a longer period on the poor performers.

4.9 Impact on the Respondents

The interviewees were asked to express their views on the impact that the appraisal results announcement make on themselves especially when they had to announce some demotions or pay cuts for the subordinates whose performance was not up to the expected level. For this question the respondents reported that the Bank does not have a policy of imposing any demotion or pay cuts for poor performers. At best the promotions and pay rises will be put on hold till they show improved performance levels. Even in those cases since the subordinates are advised by means of individual letters addressed to them, the counseling meeting would be attended by the employees after they have recovered from the initial shock and hence the respondents did not find the first counseling meeting with the subordinates that embarrassing. However in some cases there will be no personal interaction with the officers on a day to day basis, the announcement of the appraisals does not create any impact on them.

4.10 Reward and Recognition for Good Performers

The interviewees were asked to identify the views of rewarding and recognizing the employees who had performed well. The officials advised that currently, based on the points obtained the performance of the employees the following increments and bonuses are being provided by the bank.

Grade Acquired	Increment / Rise in Pay	Bonus
A	Up to 15%	Up to 25%
B	Up to 8%	Up to 20%
C	Up to 4%	Up to 15%

However, according to the officials the current system of rewarding does not provide enough incentive for the people in Grade B to reach Grade A in terms of the Bonuses. The employees according to the respondents would be more satisfied by fabulous cash awards than regular pay rises.

4.11 Techniques for Counseling the Poor Performers

The most difficult part of the appraisal process is to discuss with the poor performers about the reasons for their poor performance and to suggest them the ways to improve the performance. Though the interviewees may not have a day to day interaction with some of the employees whose performance they are assessing, most of them will be under the direct supervision of the senior managers who have been interviewed. For them a personal one to one counseling meeting is the best technique identified by the respondents for improving the performance. A job rotation with a change in the department may also prove effective to improve the performance. Improvement of skill and knowledge through appropriate training may also prove to be effective – the respondents opined.

4.12 Effectiveness of the Appraisal System

The respondents were requested to report on the effectiveness of the appraisal system being presently in use in the Bank. They have been asked to comment on the effectiveness based on the impact it creates on the employees for improving their performance. The officials were asked to rate the appraisal system using the grades of good, satisfactory and poor. As expected the answer

unanimously was 'satisfactory'. Some of the respondents commented that the rating system with the points and grading though appear to be precise are always subjective and hence may not really tell the efficiency of the employee whose performance is being assessed. However the participants accepted that there need to be a revamping of the appraisal form being used.

4.13 Weaknesses Identified in the System

The participants were asked to identify the weaknesses they could point out in the present appraisal system. Apart from the old format which needs a revision the participants have identified the number of grades being less, they are forced to place an employee in a particular grade even if in their opinion he/she may not fit in that position. Similarly the respondents have also identified the interference from the Unions in some instances on determining the promotions for the officers. In the case of poor performers since there are no specific punishments for poor performance the system does not have an effective thrust on them to improve the performance.

4.14 Interaction with HR Department

The participants were asked to narrate their experience with the HR department in reviewing the performance of their subordinates. This question was intended to bring out the independence of the assessing authorities in making their decisions on the performance level of their subordinates. As reported by some of the interviewees in some instances there have been recommendations from the HR department for putting a particular employee in a specific grade. Apart from such stray events more or less the officials were able to perform their functions effectively with respect to the assessment of the performance of their subordinates.

4.15 Appraisal Systems for the Development of the Employees

The respondents were asked to comment about the effectiveness of the appraisal system being presently in vogue in the Bank in contributing to the personal development of the employee. To

this question all the participants replied that the present appraisal system is basically to judge the past performance done basically to decide on the pay rises and bonuses and to this extent the appraisal system is not future oriented.

4.16 Assessment of Training Needs

On the question that whether the present system of performance appraisal provides for assessment of the training needs of the employees on the basis of the assessment of their performance the answer from the participants confirmed that the appraisal system is more general in nature and can in no way identify the specific training needs of the individual employees.

4.17 Suggestions for Improvement

As the final question the participants were asked to make suggestions for overall improvement in the appraisal system. The officials have made several suggestions to make the appraisal system a future and employee development oriented. These suggestions range from modifying the appraisal form to the provision of more number of grades as well as conducting periodic review meetings. These suggestions are presented elsewhere in this study as recommendations.

4.18 Conclusion

This chapter summarized the views expressed by the Bank officials who are in the capacity to make assessment of the performance of their subordinates and report there on for rewarding the good performers. A detailed analysis of the findings on the basis of the data analysis is being presented in the next chapter.

Appendix 1 Questionnaire for the Structured Interview

The following is the formant of the questionnaire prepared for the structured interview with the Officials of Muslim Commercial Bank Pakistan

Question 1: What according to you are the objectives of the performance systems in general?

Question 2: What are the different kinds of performance appraisal systems you can think of will be helpful in assessing the performance of the subordinates?

Question 3: Can you comment on the format being presently used by the Bank on the performance appraisal of the employees?

Question 4: What according to you are the important criteria on which the performance of the employees is to be assessed?

Question 5: What is your opinion on the fixation of performance targets?

Question 6: Which according to you are the knowledge areas which the employees should be familiar in?

Question 7: What are the changes you have observed in the attitudes of the employees once the performance appraisal results are announced – both in case of good and poor performers?

Question 8: What according to you is the impact that dealing with the appraisal results you feel on your attitude towards the subordinates especially the ones who did not perform well and had to be admonished?

Question 9: What are the ways in which the employees who performed well can be rewarded and recognized and what the current practices in the Bank are?

Question 10: How effective the present appraisal system in the Bank according to you Can you rate them among good, satisfactory or poor?

Question 11: What according you are the weaknesses in the appraisal system of the Bank?

Question 12L: How the HR Department views the appraisals done by you? Do you have the experience of any issues raised by the HR on the assessments made by you?

Question 13: What according to you are the factors that need to be addressed in the appraisal systems for the development of the employees' skill and knowledge?

Question 14: Are you satisfied that the present appraisal system of the Bank that it provides for the training needs of the subordinates?

Question 15: What are your suggestions for improvement in the appraisal system of the Bank?