



Research Project

"Performance Evaluation at Bank Alfalah"

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Abstract

The research report examines the affect of 180 degree evaluation on the work satisfaction of employees. 180 degree is the process by which employees are evaluated by only one person, usually his direct supervisor or manager. The organization chosen by the team, for data collection is Bank Alfalah. A questionnaire had been designed to collect the required information from the employees of the bank. It was filled by 50 employees which were also the research sample. With the help of the Research Supervisor, while constructing the questionnaire, it was ensured that the questions should be simple, precise and meaningful for the study. And special effort was put in designing the questionnaire in such a way to make sure that the employees provide correct information. Moreover, interviews were conducted to gather information. The research report helps in determining the importance of performance evaluation in an organization, analyzing how employee productivity is affected through the use of this process, and measuring the satisfaction level of employees to check if they are loyal and committed to the organization. In recent years, attention towards the topic has gained importance among organizational management, psychologists, economists, HR practitioners and sociologists with different outlook being adopted to investigate the phenomenon. Findings of the report will help future researchers to further explore the area and discover more variables related to 180 degree that affect employee performance. The following report will prove to be of great help to other students who wish to divulge into human resource related issues as it is still not a very prominent area of interest for organizations in Pakistan.

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Chapter I

Introduction

1.1 Background

With the changing time, each sector of the economy is going through some major changes and is facing some major challenges. Pakistan, the 27th largest economy, is also going through some major transformation mainly because of the Pakistani Government negligence, credit crunch and economic crisis. Financial sector, specifically banks play a very important role in any economy. This sector was immensely affected by the recent crisis. According to the SBP report (2010), the overall economic and fiscal environment of trade and industry is weakened since the second quarter of 2008.

At this point of time, organizations need to restructure themselves to cope up with the new trends and dynamic situations. It could only be done with the help of best pool of candidates employed by different organizations. Organizations have now understood the importance of the workforce within the organization. They now invest in their employees to fulfill their personal needs of growth, self satisfaction and new expertise and the needs of the organization as well. Human resource is considered to be the most important asset for any organization. They are now considered to be the primary builder of a successful, cost effective and money-making business. This report aims to study the banking sector of Pakistan, specifically Bank Alfalah in detail to understand different factors related

to employees in order to improve the overall work satisfaction and performance.

Bank Alfalah Limited entered Pakistani market on June 21st, 1992 as a public limited company. Its banking operations started from November 1st, 1997. This Bank currently has its operations in 74 cities through 195 branches. Since its beginning, the management of the bank has designed and followed some effective strategies and policies to create a different position for itself in the Pakistani market place. It is supported by the banking of the Abu Dhabi Group. Its board of management is driven by the ambitious goals of achieving more and better each day. Bank Alfalah has always showed dedication to the traditions of innovation and looks for synergies with clients and service providers to guarantee continuous services to its customers. Bank Alfalah has come forward as one of the top financial organization that is committed to meet the needs of growing economy under dynamic conditions since last five years.

Like any other organization, Bank Alfalah is constantly investing in its employees to meet their developmental needs required to achieve its objectives and targets. For this purpose, constant monitoring of the work environment and employees is ensured.

1.2 Problem Statement

180 degree performance evaluation decreases the work satisfaction level of employees.

1.3 Objectives of the study

Following are the objectives of the project:

- Understanding the cause of low employee morale which has resulted in poor performance in banking sector of Pakistan.
- Understanding the practicality and reviewing the concepts of performance evaluation process.
- Determining the importance of performance evaluation in an organization.
- Analyzing how employee productivity is affected through the use of this process.
- Measuring the satisfaction level of employees to check if they are loyal and committed to the organization.

1.4 Research Methodology

1.4.1 Type of Study

It is a descriptive study as it tells the relevant aspects of the interest of the researcher. This study focuses on some important aspects observed and attempts to determine the interrelationships among them.

1.4.2 Population/Sample

The Banking sector of Pakistan is the target industry for the project and Bank Alfalah has been chosen for the research. A total of 50 employees will be chosen to get the questionnaires filled.

1.4.3 Instruments and Measures

Likert Scale method is selected for this research. In a Likert Scale, respondent is provided with a statement where he is asked to point to his or her level of conformity with the statement. Five-point scale is used for the questionnaire. With the help of the Research Supervisor, while constructing the questionnaire, it was ensured that the questions should be simple, precise and meaningful for the study. Furthermore, questions should be in proper order and in simple language so that respondents can understand them easily and also that the respondent should not find any difficulty even if in any case researcher is not present. Questionnaires were selected from the sample questionnaires of Leadership Management Group and Time Management Inventory.

In order to increase the reliability of results, the questionnaires were distributed equally amongst three-levels of the bank. The results generated were analyzed and interpreted to generate conclusion and recommendations.

Information for this project is collected through secondary as well as primary sources, such as:

- Meetings with the project supervisor.
- Internet search through various search engines.

- Reference and text books of Human Resource Management.
- Surveys.
- Questionnaires.
- Interviews.
- Bank's website.

1.5 Scope and Limitation

Scope

With the help of this study, we will be able to achieve the following results:

- Identify factors that hinder employees to perform.
- Reasons for low employee morale, work dissatisfaction, low productivity, not meeting deadlines and turnover.
- Factors that can help increase work satisfaction among employees and increase their productivity and morale.
- Factors to retain employees and decrease the turnover rate within Bank Alfalah.
- To help them achieve higher performance level.

Limitations

Below are the limitations of the project:

- Primary information was hard to gather since employees at Bank Alfalah were not willing to leak out some problematic areas within the organization.
- Some employees did not agree to provide accurate information with the view that it could hurt the organization's image.
- The validity of the information gathered was hard to ensure.

Chapter II

Literature Review

Traditionally, performance evaluation is considered to be a process that is limited between a supervisor and his employee. But this concept no longer exists in successful organizations. Since it involves certain biases and favors as supervisors have the power to reward and punish. Lopez (2008) defined the purpose of evaluating a performance as the determination of the worth or merit. It helps in understanding how competent an employee is, his areas of development, training needs and area of interest. In order to reduce the biases, and with the increased focus on teamwork, collaboration and employee development, information regarding employee is gathered from various sources through different tools to ensure that the information provided during the entire evaluation process is accurate and precise.

One such tool of measuring employee's performance is 180 degree. It is a limited process that involves favoritism, biases and discrimination. According to Finkelstein (2004), supervisors usually rate their employee as average except in extreme case. This demotivate employees from performing better and causes resentment.

Another tool used to decrease the biases and to make sure information gathered during the evaluation process is accurate, is 360-degree performance evaluation. It involves multiple sources of information gathering. Jackson &

Schuler (2000) defined this process as an evaluation process that involves multiple raters including supervisor, subordinates, peers and employees. Other names used for 360-degree evaluation, according to Koebelin (1999), are multi-rater feedback, multi-source feedback, full-circle appraisal and group performance.

Among one of the benefits of a proper evaluation system is to increase the satisfaction level of employees. They have the right to know the basis and criteria on which they are being evaluated. According to Staw, Sutton, & Pelled, (1994), only positive emotions can help employees have favorable consequences. They will be able to perform better. Each day will bring new and better out of the employees. It can help employees gain work achievement, job enhancement and better social environment. With the changing time and advancement in technology, just like customers are gaining importance, issues related to employees has captured the attention of many researchers. Abbot (2002) highlighted the importance of changing market trends and employees role under such circumstances. According to her, companies who understand their employees, their training needs as an individual and as well as a professional, can survive in the longer run.

Job satisfaction is the major area of concern in management for many years. Hawthorne studies (1959) is among one of the early work on this issue. Later on this area gained popularity and many researchers and scientists extended the research to study its importance and different consequences that effect the satisfaction of employee at work. Job satisfaction of employees is a very crucial factor at all

managerial level in an organization if efficient and effective outcomes of organization are to be achieved.

Work satisfaction is a term used to describe happy and contented employees. According to Heathfield (2002), employees are happy and contented only when their desires and needs at work are fulfilled. If employees at work are satisfied, it will automatically lead to higher motivation, efficient and effective means to achieve goals and improved morale.

Locke (1976) in his Affect Theory defined job satisfaction as what personnel wants and what he gets from his job. Employee attaches different value to different aspects of his job according to his own discretion. Judge (1998) in his dispositional theory explained about employee's satisfaction at work as that people have "innate dispositions" that is the basis of having tendencies toward an assured level of satisfaction. Hackman and Oldham (1959) in his theory Job Characteristics Model states that there exist five important job characteristics: skill variety, task identity, task significance, autonomy, and feedback. These characteristics have huge impact on three significant psychological situations: experienced meaningfulness, experienced accountability for outcomes, and information of the actual results that effect work outcomes, job satisfaction, absenteeism, work motivation, etc.

Some crucial factors that affect the work satisfaction level of employees includes the organizational culture, commitment level, motivation and morale, recognition, work itself, roles and responsibilities, advancement and growth, job security and some demographic factors.

Employees are considered to be an integral part of any business. According to Hunter (2005), an organization has as much potential as its employees have. If employees are productive and know their work well, the organization will develop and vice versa. Employee productivity, as defined by Sward (2007) is all about efficiency and effectiveness. Both needs to be present in the work to constantly improve employee performance. If either of these are missing, employee will not be considered productive since his work is not up to the standard or requirement that is being set by the management.

According to Tatje & Lovell (1999), increase in profits of an organization is a sign of increased employee productivity. No organization can survive the market competition if its employees are not competent enough to handle positively the market dynamics. According to Endogenous Growth Theory, for sustained growth in today's market place, innovation is an important factor. And for innovation productivity relationships matters.

Bruce (2006) presented few techniques to encourage every employee to work hard and to be more productive. According to her, if employees are given some empowerment, they will be more productive since they will consider themselves accountable for the task assigned. It is also important to understand the force that drives people. Employees should be treated more like a partner. They should know the outcomes and end results of the situation and the value attached with it. Employees should know who their competitors are, their strategies, products and services that they are offering. Employees should be encouraged to

take positive risk. Link between performance and motivations should be made clear. Rewards and recognition should be made clear. Incentives and morale boosters should be offered to employees from time to time. Employer should trust his employee. Trust is the key for better and healthy relations.

Four learning approaches have been described by Dorsett (2006). According to him, learning process of each individual is different. Employer should take time to understand how each employee process information that comes to him from different sources and how he creates linkages between them. Appreciation, and criteria for recognition and rewards should be made clear. The productive employees should be given chance to learn new techniques and tools to perform better and increase their output efficiently and effectively. When employees are empowered to perform tasks on their own. They do better. employers should provide their employees such opportunities and then closely monitor their activities and the amount of participation in a team.

Employee performance is highly dependent on his morale and motivation level. According to Neely (1999), work productivity is highly linked to employee morale. If employee is not willing to work for the organization, he will not perform upto the standard or required expectations. The unwilling attitude will cost an organization a lot. Employee must focus on how to raise the employee morale. One important element is employee development. If an organization meets the needs of an employee, he will be highly satisfied thus resulting in increased motivation and morale.

Employee morale is defined as a state of person's psychological well-being that is based upon a sense of assurance, usefulness and intention. Or in other words, employee morale refers to the attitude workers have towards the quality of their total work life.

Hompkins (1995) explained five ways through which employers can help employees increase their morale. First is social gatherings. Although it's a fun activity, but it's a place where employees get to know each other, their peers, subordinate, and senior people. This is important both for employee and organization's growth and well being. Second is employee recognition. Employees should be provided recognition rewards and certificates from time to time. This help employee morale to boost. Next, organizations can offer scholarship programs for the employees in order to help them continue their education and learn new expertise that will help the organization in long run. Employees meetings should be held from time to time to discuss their progress, strengths and weaknesses at work. Employees should be empowered to perform certain task on his own.

In words of Bohlander & Snell (2010), employee turnover is defined as movement of employees out of an organization. Organizations with high turnover rate have to incur an additional cost, not only in monetary terms but also in terms of time, resources etc, of recruiting and training a new employee. Whenever some employee leaves a company, he takes with him knowledge, understanding and experience which cannot be measured in terms of money nor can it be easily recreated.

Many Significant researches have been made in recent years promoting the advantages of using high-involvement human resource practices to enhance employees' levels of skill, motivation and empowerment and to reduce turnover. Among one of the factors of high turnover, one major factor is fairness among employees. As Byrne (2005) explained that in organizations where everybody focuses on his own self interest, and where there is no mutual understanding among teams and employees at different level, intentional turnover is high. Such type of organizations can not do well in the market place because they are not able to retain the employees who have the knowledge of their organization, processes and procedures, rules and general guidelines.

Replacing employees is very costly both in terms of money and time. Dysvik & Kuvass (2010) consider employee turnover to be the major concern of the management today. Replacing an employee is costly. Recruiting and training the employee according to organizational need is another cost that organization has to bear. High level of turnover effects and reduces the quality, consistency and stability of the services/products the organization offers. According to Richer, Blanchard, & Vallerand (2002), beside organizational commitment and job satisfaction, motivation is also an factor that can help reduce turnover if used and communicated properly.

Chapter III

Industry Overview

3.1 Introduction

The word bank is derived from an Italian word "BANCO" that means a table or a counter. The reason for using this word for banking business is due to the traditions of Lombardian money changers. Later, at the end of middle ages, the trade and the business of exchange of money started to increase in Italy. After going through various phases, a proper banking structure with different services and set of rules and procedures were developed to handle different situations and risks involved. How banks initially developed is however not known. But according to researchers and various books on ancient banking model, the first banking transaction was made when money was used as the mean of exchange at the beginning of organized agriculture, industry and trade.

3.2 History of Banking in Pakistan

After the partition of Indo-Pak subcontinent on 14th August, 1947; banking services were available on vast scale in the areas that constituted Pakistan. There were almost 3,500 branches before partition. Later, 1,500 branches existed in the area of Pakistan. With mutual consent of India and Pakistan, it was decided that the reserve bank of India will remain and operate in Pakistan territory until

30th September 1948. After independence, tension raised between both the countries. Hindus immediately transferred their money and assets to India. This raised problems for a newly developed state and many banks were closed down as a result. The number of banks reduced from 1500 to 200 before 30th June 1948. Some European banks were also operating in Pakistan that offered limited services.

Habib bank was the only bank that transferred its office from Bombay to Karachi. Pakistani government made heady efforts to control this situation but the newly developed state did not have much funds to support the financial situation. India refused to advance money to Pakistan to make essential payments such as salaries etc. Indian reserve bank also withheld Pakistan's share of Rs.75 billion in cash. It caused hardships for the new state.

To overcome all its problems, the government of Pakistan established a central bank with complete rules and regulations, policies and procedures under the supervision of Governor General of Pakistan Mohammad Ali Jinnah. It was inaugurated on July 1, 1948 and is known as State Bank of Pakistan. Thereafter, this sector has enjoyed enormous growth. Banks were nationalized in year 1947 to ensure uniformity and consistency in its operations throughout.

During late 1960s and 1970s, specialized development financial institutions emerged including Industrial Development Bank of Pakistan (IDBP) and the Agricultural Development Bank (ADB) which were controlled by either the head of state or through State Bank of Pakistan (SBP).

Although, good policies were formulated by Pakistan, it was not able to generate the desired results. The main reason for that is poor implementation of policies.

3.3 Banking Organization in Pakistan

The financial sector of Pakistan consists of Scheduled Commercial Banks that includes nationalized, foreign, and private banks; and Non-banking Financial Institutions (NBFIs) that includes Development Finance Institutions (DFIs), Investment Banks, leasing companies, modarabas, and housing finance companies.

Scheduled Banks and NBFIs, excluding modaraba and leasing companies, operates on the regulations of State Bank of Pakistan. Security and Exchange Commission of Pakistan regulate Modaraba and leasing companies.

3.4 Current Banking Situation

At present, seven types of banks are operating in Pakistan that includes: Public Sector Banks, Islamic Banks, Private Banks, Foreign Banks, Development Financial Institutions, Specialized Banks and Micro Finance Banks. A total of 54 banks are operating under these seven categories of banks. Standard Chartered is the oldest bank operating in Pakistan for more than 140 years.

SBP acts as a central bank that regulates the monetary and fiscal framework in the country. Proper functioning of its activities is essential and very critical for the economy and for the fiscal operations of the government. State Bank

of Pakistan controls the monetary and credit system in Pakistan.

Pakistan is an underdeveloped country that has suffered from the beginning due to ineffective implementation of policies and internal political disputes. During 2001-2007, poverty decreased by almost 10%. This was the result of constant increase in the development spending. But this growth slowed down during 2008-2009 as unemployment increased. Inflation is the top concern of the public. It rose from 7.7% of 2007 to 20.3% in 2008, 14.2% in 2009 and 23% in 2010. Furthermore, the Pakistani rupee has depreciated since 2007 because of political and economic instability in the country. Pakistan is the 27th largest economy in terms of purchasing power.

There is a regular change in the structure of banks as a result of mergers and acquisitions. According to Khan (2009), the mergers and acquisitions are expected to continue in near future as well in response to increased minimum capital requirement which can affect competition by reducing the number of market players. Another remarkable development in the banking sector is the introduction of a minimum rate on PLS savings deposits by the State Bank of Pakistan. The mergers and acquisitions of financial institutions at international level have also raised concerns related to the concentration, competition, economic efficiency, and financial stability of the banking sector.

3.5 Conclusion

Banking is one of the most significant businesses all over the world. Banks play a vital role in the economy of a country. Resource mobilization, production and distribution of public finance, elimination of poverty are all influenced and facilitated by the Banking sector of a country and Pakistan is no exemption. From construction to agricultural projects the sponsorship of banks is involved throughout. To cater the requirements of specific sectors, Pakistan has a well developed banking system in place which has a wide variety of specialized agencies, commercial banks and central banks.

The banking sector is backbone of a country economic development and growth. No country can prosper without a strong banking sector. The government should take all the necessary steps to nurture and encourage more investments in the banking industry.

Chapter IV

Organizational Overview

4.1 Background

Bank Alfalah Limited was incorporated on June 21st, 1992. It is a public limited company registered under the Companies Ordinance 1984. Banking operations of Bank Alfalah started from November 1st, 1997. The bank is engaged in commercial banking and related services as defined in the Banking companies ordinance, 1962. Its management implemented different strategies and policies to achieve a better and distinct position in the market place.

Bank Alfalah is an investment of Abu Dhabi Group that is driven by the strategic goals set out by its management. It facilitates high commitment to a culture of innovation. With effective use of technology, it seeks out synergies with clients and service providers to ensure continuous services to its customers. Since last five years, they have emerged as one of the leading financial institution in Pakistan.

4.1.1 Mission of the Organization

To develop & deliver the most innovative products, manage customer experience, deliver quality services that contributes to brand strength, establishes a competitive advantage and enhances profitability, thus providing value to the stakeholders of the bank.

4.1.2 Objectives of Bank Alfalah

The objectives of Bank Alfalah are:

- To satisfy their customers by fulfilling their financial needs.
- To get maximum share of the market.
- Offerings a variety of products and services that caters diverse market segments.
- To reach maximum customers and expand accordingly to different cities.
- To reinforce a corporate culture that fosters learning, creativity and flexibility.

4.2 HR at Bank Alfalah

Bank Alfalah is one of the fastest growing bank in Pakistan. Number of financial services are provided to the customers. Not only management at Bank Alfalah works for customer satisfaction, but also it has taken various steps towards hiring of human resources. The bank provides its employees with an encouraging environment that is both challenging and demanding.

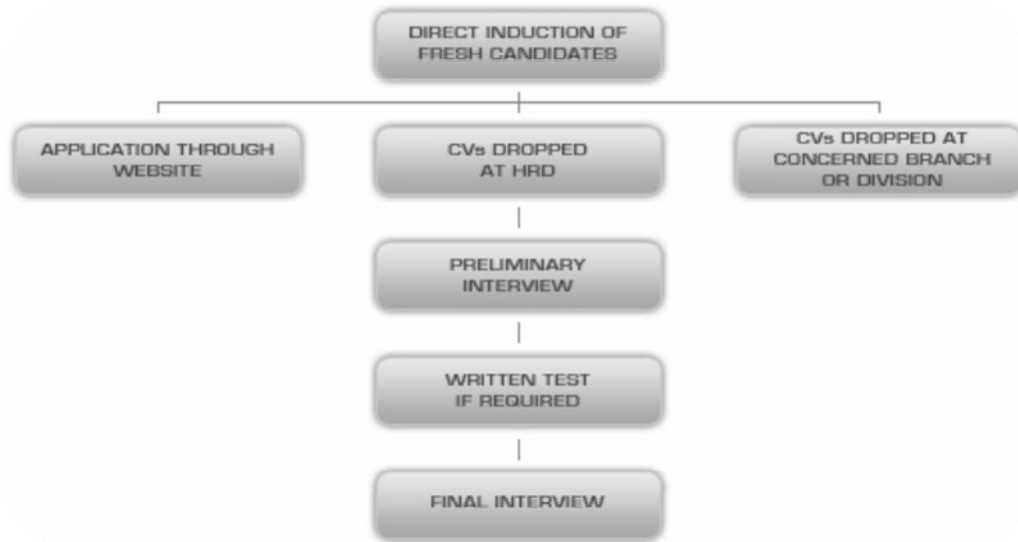
4.2.1 Recruitment Approaches

Batch Trainees

Employees that are selected as batch trainees are first required to complete a probation period. It enables the bank to hire employees at a very low cost.

Direct Induction of Fresh Candidates

The flowchart below describes the induction process of fresh postgraduate candidates at Bank Alfalah:



Source: Guidelines on Recruitment Policies at Bank Alfalah

Experienced Professionals

Incase if an experienced staff is required, Bank Alfalah recruits talent from the marketplace. The bank offers competitive salary / benefits to required employee.

4.2.3 Benefits provided by Bank Alfalah

Monetary and non monetary benefits that Bank Alfalah provides include, but are not limited to the following:

- Lucrative Salary Package
- Provident Fund
- Gratuity Fund

- Medical Insurance
- Bonuses
- Life Insurance
- Promotions
- Different sorts of Staff Loans
- Assistance in Pursuing Higher Education
- Cash Rewards on completing IBP Diploma

4.3 Human Resource Planning Process of Bank Alfalah

It is the foremost responsibility of HR Department to design an effective HR planning system regarding demand and supply of employees and also define their major job responsibilities and job description. The main purpose is to plan for the acquisition, retention, improvement and the effective utilization of HR. At Bank Alfalah, Human Resource Planning involves 3 steps for decision making activity. The first step requires a list of all the activities involved in a particular job, keeping into account the needs, objectives, additional human resource and skills required for that. During the second step, motivational tools are decided for the employees. Different targets and incentives on their achievement are provided. These incentives can be monetary or nonmonetary. It helps in increased employee performance. Lastly, employee goals

and organizational goals are aligned in order to make sure that the targets and goals of both the parties are same.

The Bank recruits three kinds of human resources that include Top Level Management, Trainee Officers and Contractual Basis Employees.

4.4 Performance Evaluations and Appraisals at Bank Alfalah

Like all other process within an organization, Bank Alfalah has a detailed performance evaluation and appraisal process. The fairness and truthfulness in this process is vital. Satisfaction of employee during the entire evaluation and appraisal process is one of the important factors to be considered. It is the key factor that helps in understanding the growth and developmental needs of an employee.

Performance evaluation is a structured, one-to-one discussion between employee and supervisor. The areas of discussion are preplanned which is known to both the supervisor and his employee. Employee's achievement, success and failure are discussed in detail during the session. Suggestions from both the parties are exchanged. The supervisor discusses job responsibilities, define objectives, provide counseling for career advancement, and justify a pay adjustment. On the basis of the feedback provided by the supervisor to the related authorities, employee's promotion and appraisal are decided.

For performance appraisal, bank adopts both traditional and development approaches. In a traditional Approach, overall

organization along with its past performance is the primary concern. Overall performance at Bank Alfalah is reviewed at branch level. Each branch is accountable to show its performance in a optimistic direction according to set criteria. Under this approach, teams are evaluated based on the results that the team has achieved towards the end of the year. Under Development Approach, employees are evaluated on individual basis that is their individual contribution in a team, their role and duties that the employee has performed. Each employee is given a form commonly called as Performa on which he list down his major achievements, value addition and significant contribution that he has made as an individual employee. Employees are assigned targets that are usually in form of amount. The performances of all the branches are reviewed individually, at the end of the year.

Chapter V

Results and Identification of Issues

5.1 Results

This chapter of the report is based on the results of our survey that was conducted for this research. Questionnaires were distributed among employees of the Bank Alfalah. The results are elaborated one by one in the form of percentage. Furthermore, results are obtained by using SPSS software, and are presented in the form of Frequency Tables and Bar Charts.

As our project is about 180 degree performance evaluation system in which only supervisor evaluates his employee and appraisals are conducted once a year. A questionnaire was designed to understand employee's view about work satisfaction and performance evaluation system currently in use.

According to the results of the questionnaire, performance appraisal is conducted once a year and only by immediate supervisor. According to the survey, employees are not provided with the regular feedback. It results in decreased work satisfaction of employees within the organization.

There were 4 factors identified during the entire research to measure the satisfaction level of employees. It includes: morale, productivity, turnover and punctuality. 5 questions under each factors were designed.

Out of 5 questions of morality, results of 2 have unsatisfactory results like, Organizational and employees' values and goals are not similar.

Out of 5 questions of productivity, 3 have negative response rate, like supervisors did not allow coworkers to finish a task as they believe they can do it better and faster. As there is lack of employee involvement and lack of time to finish tasks, it leads to decrease in productivity of employee as otherwise. Another issue was lack of sufficient time to finish tasks which affected employee's efficiency and effectiveness.

Outcomes of dimension turnover highlighted 3 issues. Problems like organization have to pay attention over employee recognition and compensation factor. Bank Alfalah has to support an environment which helps employees to maintain a balance between their work and family life. These changes will help the bank decrease employee's turnover rate.

The last dimension was punctuality. Out of 5 questions, 4 showed negative response rate. This result depicts that punctuality is one of the important problem that needs to be addressed. Due to lack of time and extra work load, employees are not able to plan their daily activities in an appropriate manner. They do not prepare to do list on daily basis. That's the reason they are not in a position to maintain high energy levels. Because all the variables are interlinked with each other if one of them is missing or is not effectively planned, the entire chain of work gets disturbed. Therefore, there is a need to pay proper attention to these issues identified under this research.

Below are the results of individual questions designed for the research purpose:

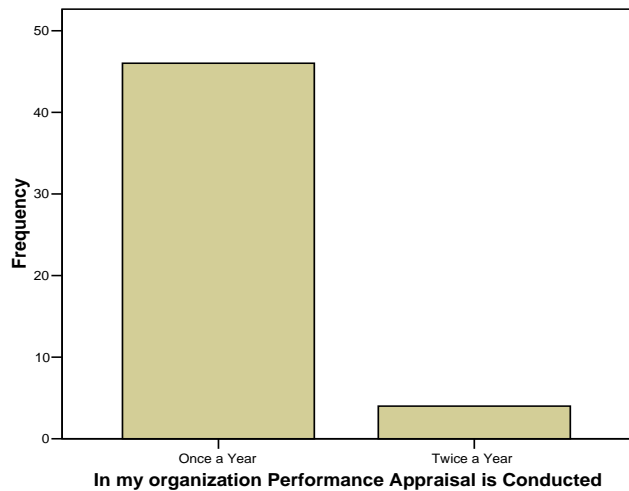
Question 1:

In the organization, Performance Appraisal is conducted: a. once a year, b. twice a year, c. thrice a year.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Once a Year	46	92.0	92.0	92.0
	Twice a Year	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Explanation:

Based on the results of this question, 92% employees of the sample responded performance appraisal is conducted once a year and only 08% responded that sometimes they are provided with the feedback twice a year but the second feedback is quite informal, usually given in some meeting.



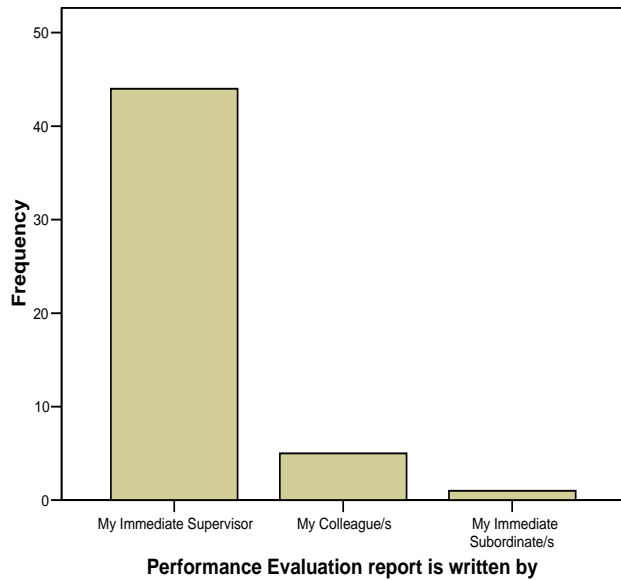
Question 2:

Performance Evaluation report is written by: a. my immediate supervisor, b. my colleague/s, c. my immediate subordinate/s, d. myself, e. customers/clients.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	My Immediate Supervisor	44	88.0	88.0	88.0
	My Colleague/s	5	10.0	10.0	98.0
	My Immediate Subordinate	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Explanation:

According to the results of this question, 88% employees said that performance evaluation report is written by immediate supervisor. Colleagues and subordinates are rarely involved in the performance evaluation process.



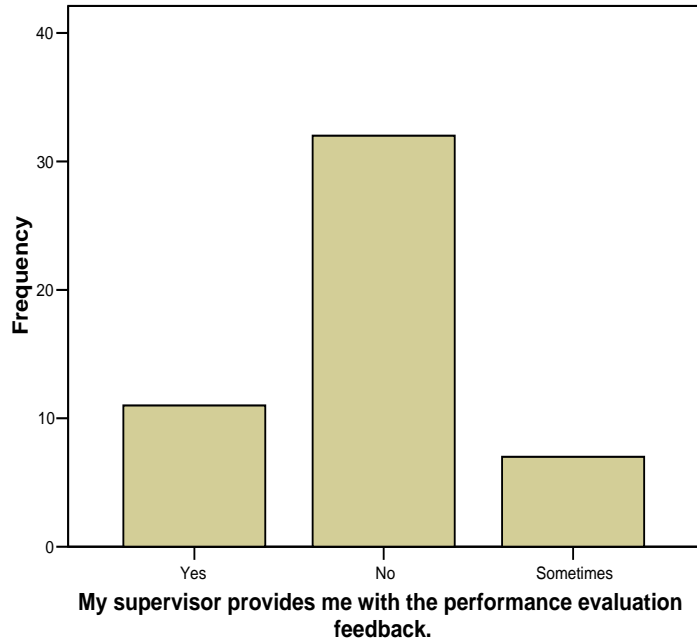
Question 3:

My supervisor provides me with the performance evaluation feedback.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11	22.0	22.0	22.0
	No	32	64.0	64.0	86.0
	Sometimes	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Explanation:

Result of this question shows that supervisor did not provide feedback to employees on a regular basis. 64% employees of the sample said 'No' to this question. Only 22% said yes and 14% said sometimes, an informal feedback is given to them by their supervisor.



MORALITY

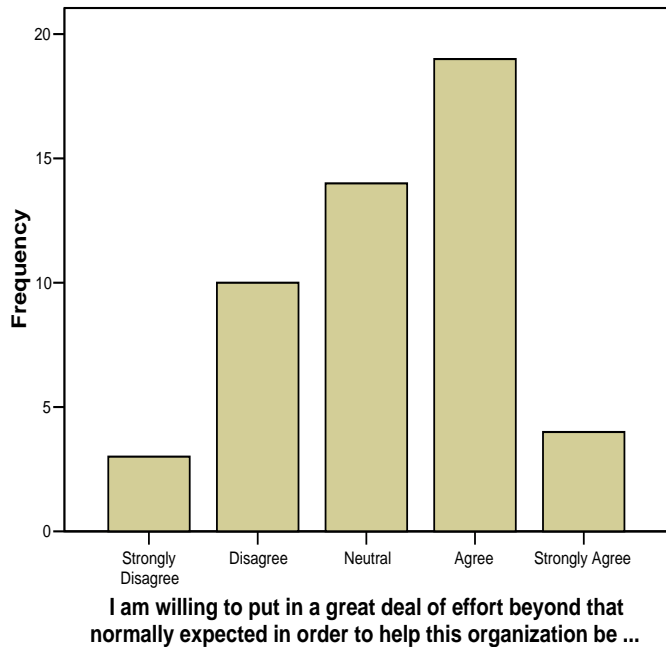
Question 4:

I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	10	20.0	20.0	26.0
	Neutral	14	28.0	28.0	54.0
	Agree	19	38.0	38.0	92.0
	Strongly Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Explanation:

In order to put a great deal of effort for the success of this organization, 38% of the sample agreed to this question that they are willing to put a great deal of effort to help this organization be successful, whereas



28% showed neutral response to this question and 20% employees disagree to this statement and only 8% of the employees strongly agree to this question. Overall response was positive.

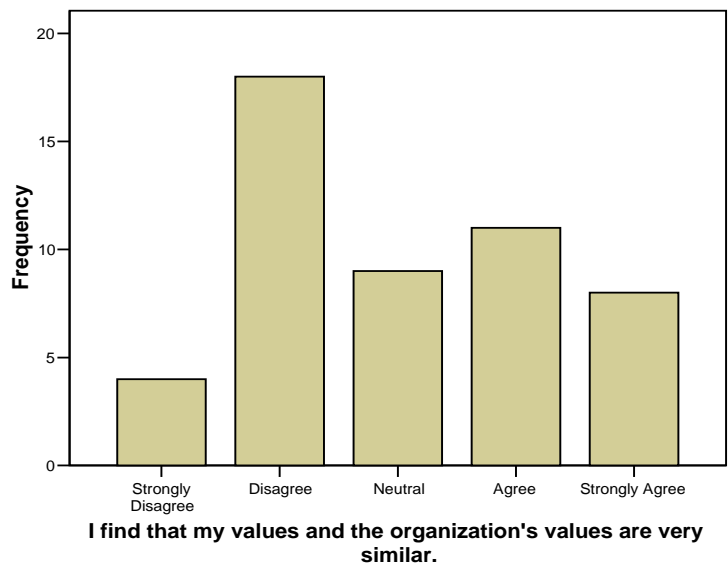
Question 5:

I find that my values and the organization's values are very similar.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	8.0	8.0	8.0
	Disagree	18	36.0	36.0	44.0
	Neutral	9	18.0	18.0	62.0
	Agree	11	22.0	22.0	84.0
	Strongly Agree	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Explanation:

After concluding this question, 36% of the employees responded that their values and organizational values are dissimilar. 18% employees showed neutral response and 22% said that they agree to this statement. Results shows morality of



employees in terms of values similarity is in difference with the organization which leads to the negative effects of 180 Degree Performance Evaluation on the work satisfaction of employees. Overall response of employees was negative.

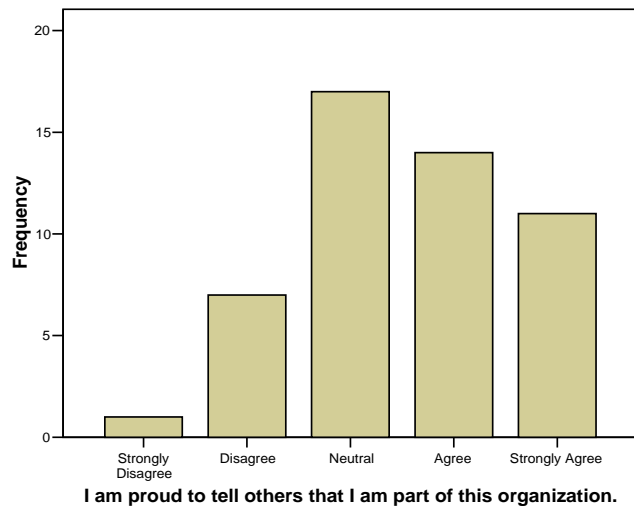
Question 6:

I am proud to tell others that I am part of this organization.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	7	14.0	14.0	16.0
	Neutral	17	34.0	34.0	50.0
	Agree	14	28.0	28.0	78.0
	Strongly Agree	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

Explanation:

Concluding this question, 28% of the employees agreed to this question and 22% employees strongly agreed to it. They feel proud to tell others about the organization they work in. 34% employees showed neutral



response and only 14% disagreed to this question as they do not feel proud to work for Bank-Alfalah. Overall response to this question was positive.

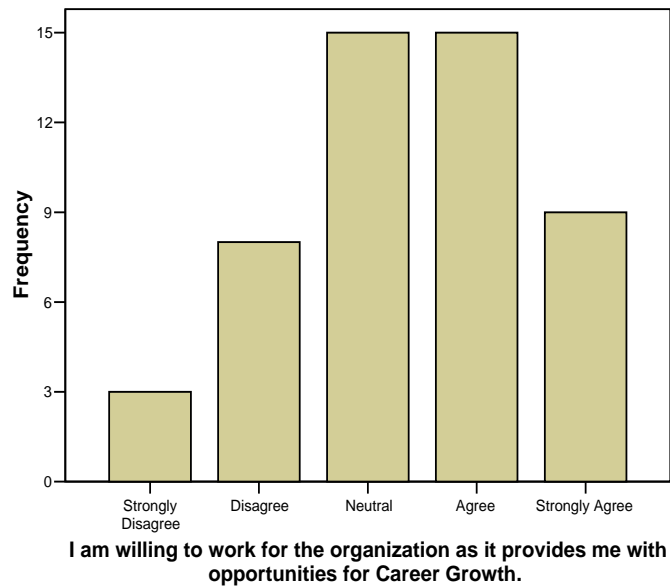
Question 7:

I am willing to work for the organization as it provides me with opportunities for Career Growth.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	8	16.0	16.0	22.0
	Neutral	15	30.0	30.0	52.0
	Agree	15	30.0	30.0	82.0
	Strongly Agree	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

Explanation:

In terms of organization provide employees with opportunities for career growth, 30% employees responded that they agreed to it. 18% respondents said that they are strongly agreed and only 16% said that they



disagreed to this question. Overall response rate to this question was positive.

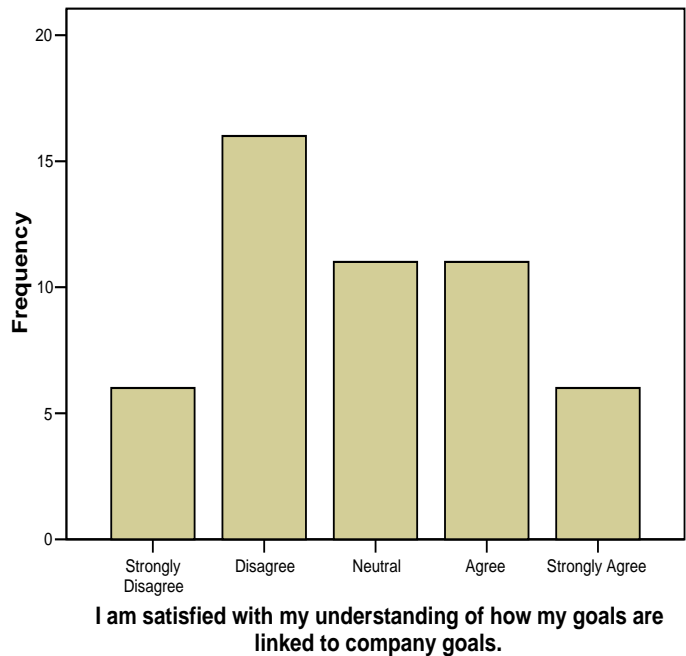
Question 8:

I am satisfied with my understanding of how my goals are linked to company goals.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	12.0	12.0	12.0
	Disagree	16	32.0	32.0	44.0
	Neutral	11	22.0	22.0	66.0
	Agree	11	22.0	22.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Explanation:

After concluding this question, 16% employees said that they are disagreed to this question that they are not satisfied to the above statement in which their goals are linked to company goals. 06% said that they are strongly disagreed and only 11% employees



responded that they agreed to the above question. Overall response rate was negative.

MORALITY RESULTS

There were 5 questions about the morality of employees which affect their work satisfaction. Response rate of 2 questions was not satisfactory like, organizational and employees' values are not similar. Furthermore, organizational and employees goals are also in difference. Overall response of employees is negative toward these two questions which mean Morality of employees in terms of values and goals similarity is in difference which leads to the negative effects of performance evaluation currently in practice on the overall work satisfaction level. Employee performance is highly dependent on his morale and motivation level. If employee is not willing to work for the organization as the values are dissimilar, employees will not perform upto the standard or required expectations and their morale is also linked to productivity. The unwilling attitude will cost an organization a lot which also shows that 180 degree performance evaluation is not an effective tool to boost employees morale and leads to decrease in work satisfaction.

PRODUCTIVITY

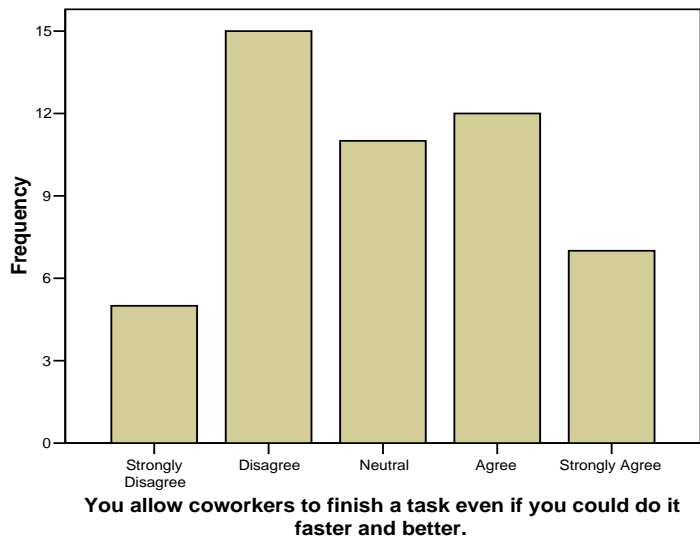
Question 9:

You allow coworkers to finish a task even if you could do it faster and better.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	15	30.0	30.0	40.0
	Neutral	11	22.0	22.0	62.0
	Agree	12	24.0	24.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Explanation:

In terms of coworker's involvement to finish a task, 30% of the employees disagreed to this question and 10% strongly disagreed to it. Only 24% agreed to the above question which shows decrease in productivity because lack of



employee’s involvement to complete a task will affect their productivity and morale also. Overall response rate was negative.

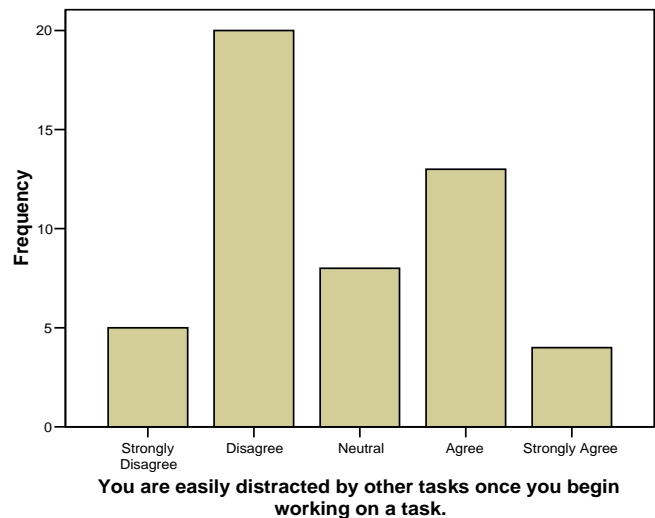
Question 10:

You are easily distracted by other tasks once you begin working on a task.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	20	40.0	40.0	50.0
	Neutral	8	16.0	16.0	66.0
	Agree	13	26.0	26.0	92.0
	Strongly Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Explanation:

Concluding this question, 40% of the employees disagreed to the above question. 26% agreed and only 08% strongly agreed to it which shows that once employees start a task, they had commitment to complete it. Overall response rate of this question was negative.



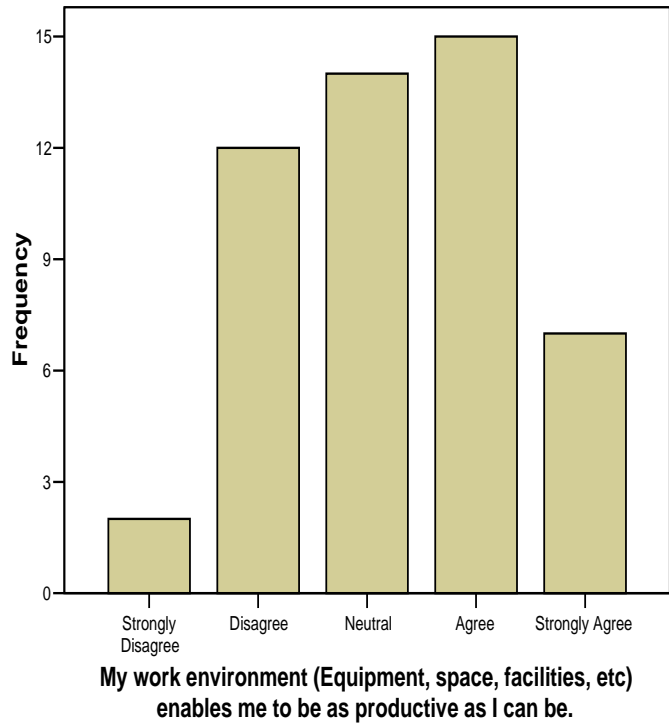
Question 11:

My work environment (Equipment, space, facilities, etc) enables me to be as productive as I can be.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	12	24.0	24.0	28.0
	Neutral	14	28.0	28.0	56.0
	Agree	15	30.0	30.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Explanation:

30% of the total employees agreed to this question whereas 14% said strongly agreed to it. According to these employees, their work environment enables them to be more productive and to complete their tasks on time. Only 24% employees disagreed to this question. Overall response rate was positive.



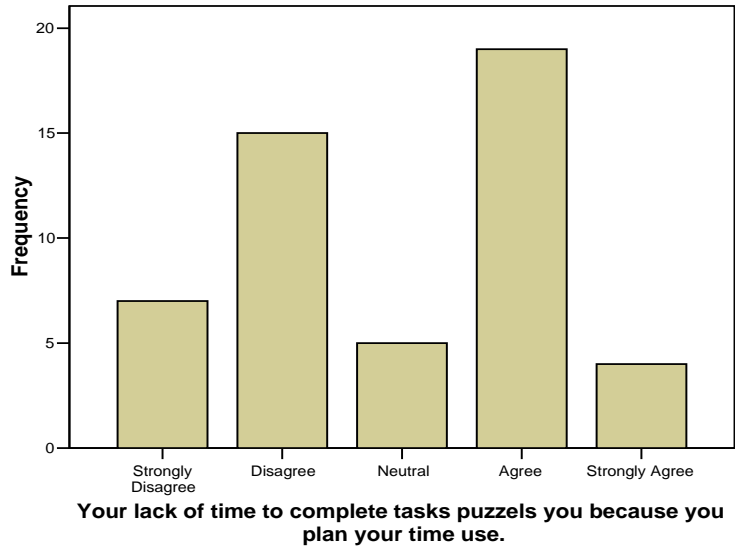
Question 12:

Your lack of time to complete tasks puzzles you because you plan your time use.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	14.0	14.0	14.0
	Disagree	15	30.0	30.0	44.0
	Neutral	5	10.0	10.0	54.0
	Agree	19	38.0	38.0	92.0
	Strongly Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Explanation:

In terms of lack of time to complete a task, 38% of the total employees agreed to this question and 08% strongly agreed, which shows employees have not sufficient time to finish their tasks and they usually get confuse as they cannot plan their time effectively. This is the main reason productivity is not up to the required standard. Only 30% employees responded as disagreed to the above question and 14% strongly disagreed. Overall response rate was negative.



PRODUCTIVITY

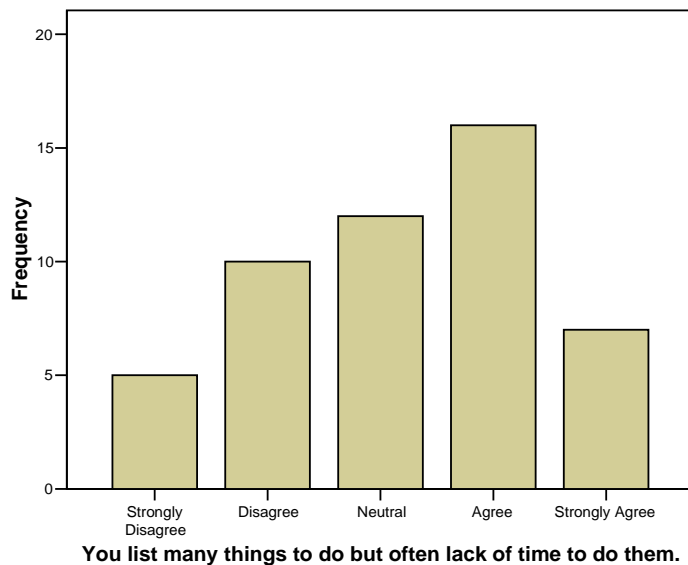
• **Question 13:**

You list many things to do but often lack of time to do them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	10	20.0	20.0	30.0
	Neutral	12	24.0	24.0	54.0
	Agree	16	32.0	32.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Explanation:

Conclusion of this question also elaborated the previous one in which time constraint affecting productivity of employees to complete their tasks. 32% employees responded in an agreed manner to this question, they are facing time constraints and 14% employees said strongly agreed which shows productivity decreases and quality of work also at risk if employees did not have sufficient time to complete their tasks. Only 20% respondents disagreed to this question. Overall response rate was negative.



PRODUCTIVITY RESULTS

There are 5 questions under this dimension. This factor also affects the work satisfaction level of employees. The results of 3 questions were in negative, like supervisors did not allow coworkers to finish a task because they can do it better and faster than coworkers. As there is lack of employee involvement and lack of time to finish tasks which leads to decrease in productivity and furthermore, negatively affects employee morale. Productivity and morale both are interlinked. If supervisor will not delegate tasks properly between coworkers and if no empowerment is given to employees, they will not be able to complete tasks effectively. Another problem is, time constraint for employees to finish tasks. It affects employee's efficiency and effectiveness. There is need to encourage every employee to work hard and to be more productive. When employees are empowered, they do better.

TURNOVER

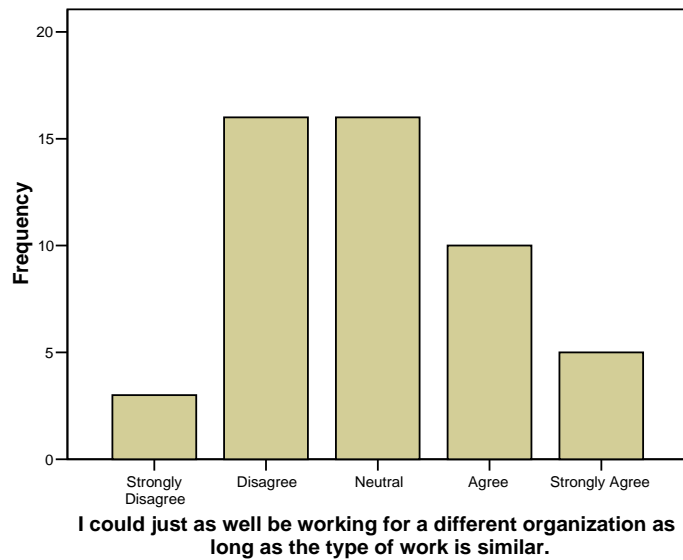
Question 14:

I could just as well be working for a different organization as long as the type of work is similar.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	16	32.0	32.0	38.0
	Neutral	16	32.0	32.0	70.0
	Agree	10	20.0	20.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Explanation:

32% respondents disagreed to this question whereas 06% strongly disagreed to it. According to them, they can work for a different organization as long as the type of work is similar which shows low turnover. Only 20% agreed to this question. Overall response rate was positive.



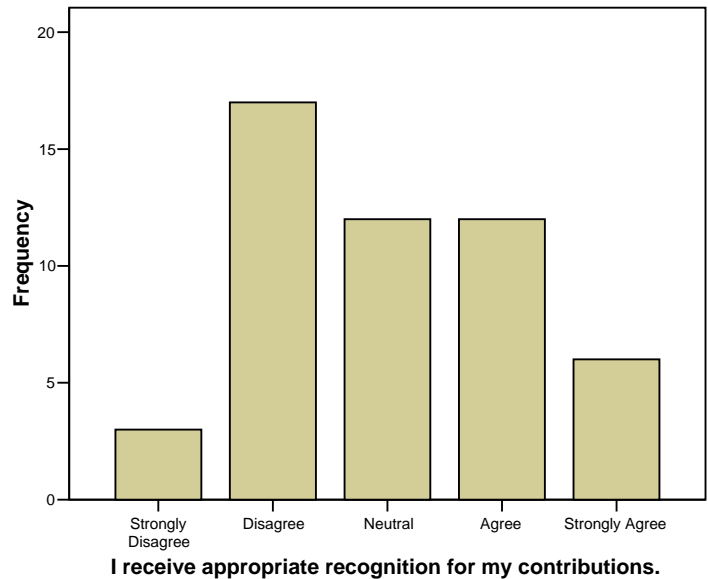
Question 15:

I receive appropriate recognition for my contributions.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	17	34.0	34.0	40.0
	Neutral	12	24.0	24.0	64.0
	Agree	12	24.0	24.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Explanation:

34% of the total employees disagreed that they receive appropriate recognition for their work. 06% strongly disagreed to it. Special attention should be paid over this aspect because only 24% employees agreed to this question. Overall response rate was negative.



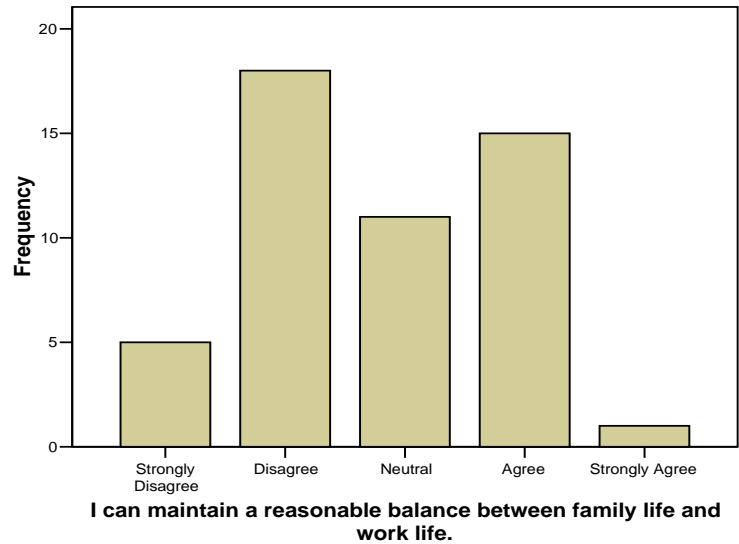
Question 16:

I can maintain a reasonable balance between family life and work life.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	18	36.0	36.0	46.0
	Neutral	11	22.0	22.0	68.0
	Agree	15	30.0	30.0	98.0
	Strongly Agree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Explanation:

Concluding this question, 36% of the employees from the entire sample disagreed to it whereas 10% strongly disagreed to maintain a reasonable balance between family and work life. According to employees, they cannot spend time with the families just because of the workload. Only 30% respondents agreed to this question. Overall response rate for this question was negative.



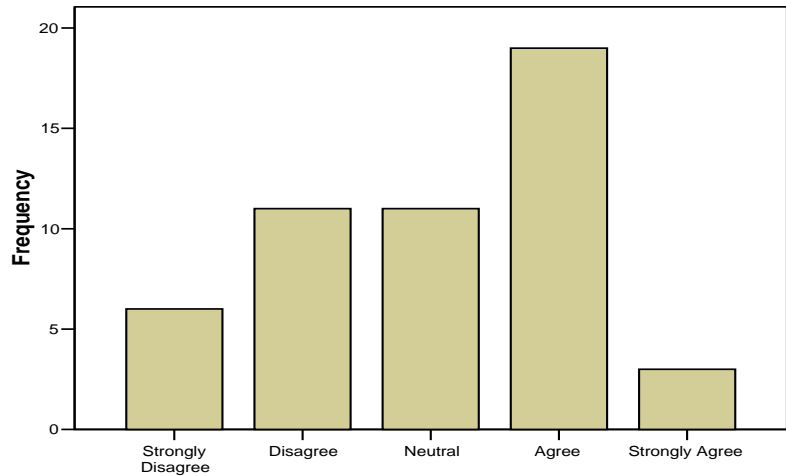
Question 17:

Given what I know about the company today, I see myself working for this organization three years from now.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	12.0	12.0	12.0
	Disagree	11	22.0	22.0	34.0
	Neutral	11	22.0	22.0	56.0
	Agree	19	38.0	38.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Explanation:

Working for this organization three years from now, 38% of the total employees agreed to it whereas 06% strongly agreed to this question.



Given what I know about the company today, I see myself working for this organization three years from now.

It shows employees are loyal to the organization and turnover rate is low. Only 22% employees were disagreed to the question. Overall response rate was positive.

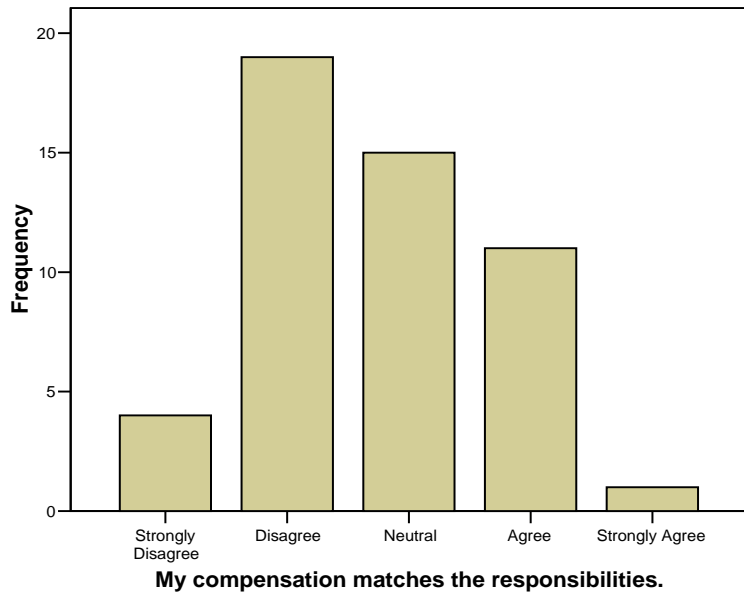
Question 18:

My compensation matches the responsibilities.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	8.0	8.0	8.0
	Disagree	19	38.0	38.0	46.0
	Neutral	15	30.0	30.0	76.0
	Agree	11	22.0	22.0	98.0
	Strongly Agree	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Explanation:

38% of the total employees disagreed to this question and 08% strongly disagreed to it. The results show that employees are not satisfied with their compensation as they believe the compensation



do not match with their work responsibilities. It shows employee's productivity and morale is at risk, because if the employees do not get good compensation, they can switch to other organizations. Only 22% respondents agreed to this question. Overall response rate was negative.

TURNOVER RESULTS

5 questions were based on turnover. The result of 3 questions was negative. It shows increase turnover rate in Bank Alfalah. There have been some problems identified through these results like, organization have to pay attention over employee recognition, compensation and make such a work environment which helps to maintain a balance between their work and family life. These improvements will help the organization to decrease the turnover rate and retain employees. In recent years, organizations have identified the advantages of using high-involvement human resource practices to enhance employees' levels of skill, motivation and empowerment because these practices not only helps to reduce turnover but also increase employee's productivity and boost their morale.

PUNCTUALITY

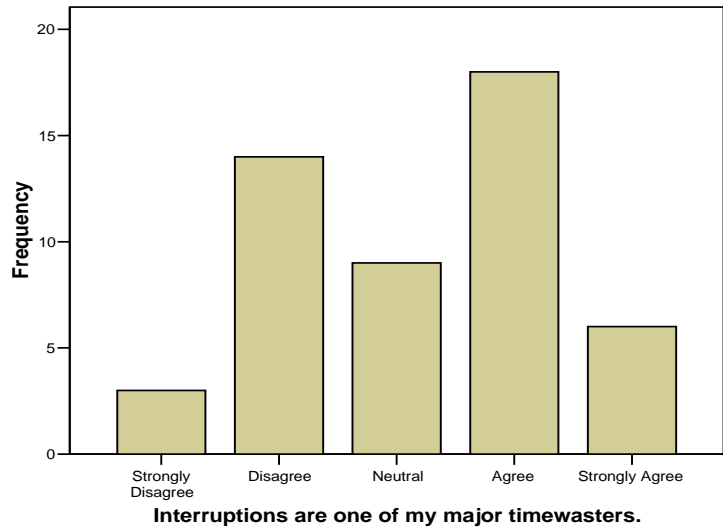
Question 19:

Interruptions are one of my major timewasters.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	14	28.0	28.0	34.0
	Neutral	9	18.0	18.0	52.0
	Agree	18	36.0	36.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Explanation:

36% of the total respondents agreed to this question and 12% strongly agreed to it. According to them, interruptions are one of the major timewasters. It shows that not only work productivity suffers due to this problem but also employee's efficiency and effectiveness to complete tasks on time decreases. Only 28% of the respondents disagreed to this question. Overall response rate was negative.



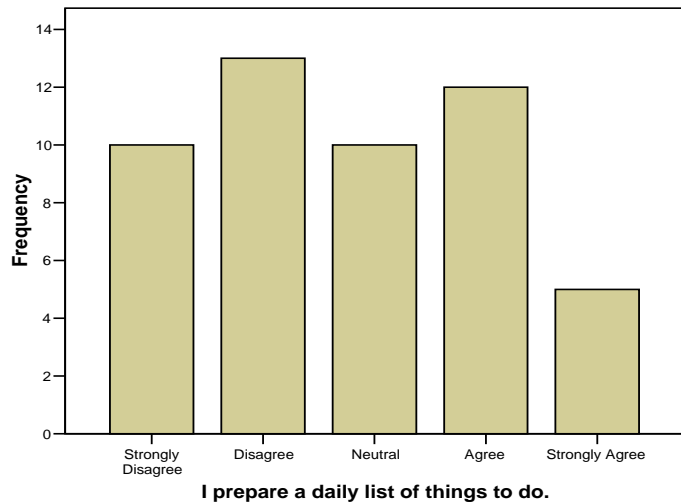
Question 20:

I prepare a daily list of things to do.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	20.0	20.0	20.0
	Disagree	13	26.0	26.0	46.0
	Neutral	10	20.0	20.0	66.0
	Agree	12	24.0	24.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Explanation:

26% of the employees disagreed to this question and 20% strongly disagreed to it. Employees did not prepare a daily list of things to do, as because of time constraint and interruptions, employees cannot plan



things accordingly. It results in decreases work satisfaction. Overall response rate was negative.

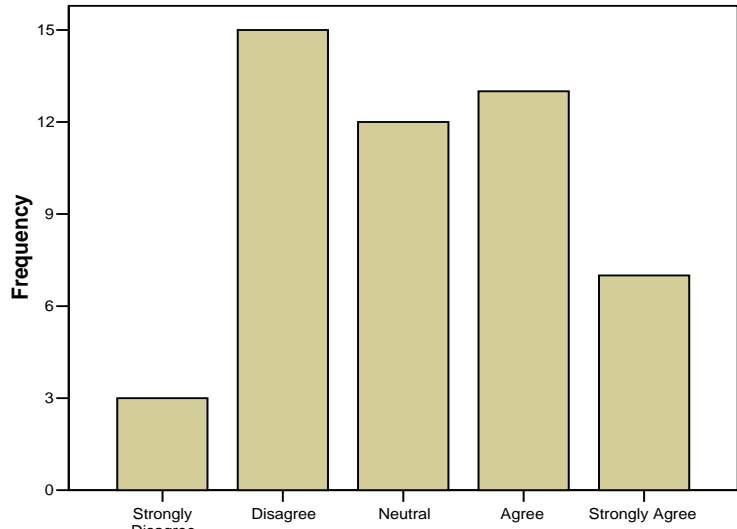
Question 21:

I put the priority codes by all items on my daily activities list.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	15	30.0	30.0	36.0
	Neutral	12	24.0	24.0	60.0
	Agree	13	26.0	26.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Explanation:

The results of this question elaborate the previous question in which employees do not prepare daily list of tasks. If employees did not prepare activities lists they will not



I put the priority codes by all itmes on my daily activities list.

be able to assign priority codes to different tasks. 30% of the entire sample disagreed to this question whereas 24% agreed to it. Overall response rate was negative.

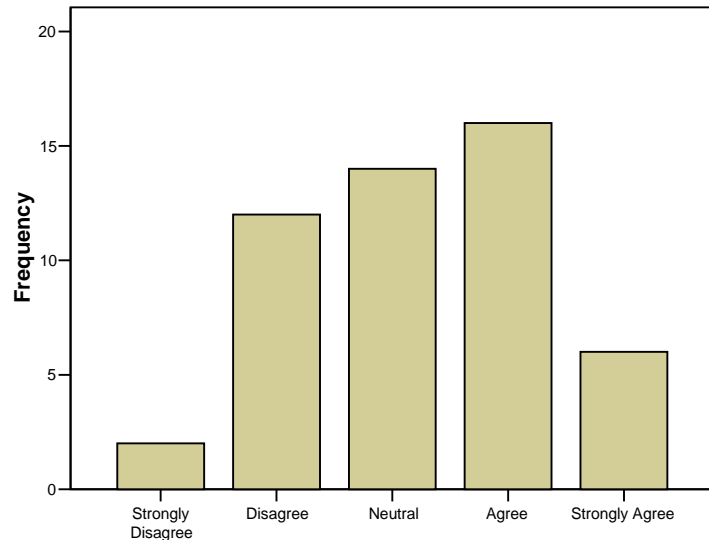
Question 22:

I have a list of Performance goals for my work that are specific, measurable and have definite target dates.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	12	24.0	24.0	28.0
	Neutral	14	28.0	28.0	56.0
	Agree	16	32.0	32.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Explanation:

32% of the employees agreed to this question whereas 12% strongly agreed to it, which shows employees commitment to be task specific, measureable and meet target dates to complete their work.



I have a list of Performance goals for my work that are specific, measurable and have definite target dates.

Only 24% employees disagreed. Overall result was positive.

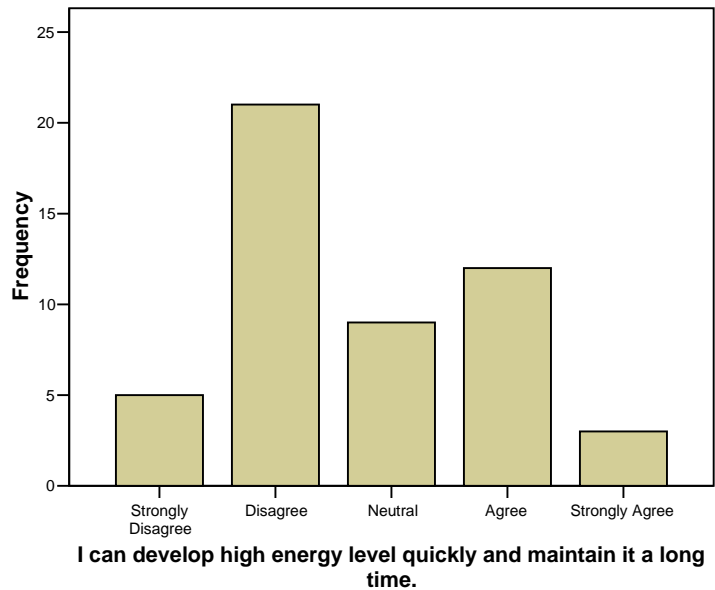
Question 23:

I can develop high energy level quickly and maintain it a long time.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	21	42.0	42.0	52.0
	Neutral	9	18.0	18.0	70.0
	Agree	12	24.0	24.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Explanation:

42% of the total employees disagreed to the statement that they can develop high energy level quickly and maintain it for a long time. Only 24% respondents agreed to maintain their energy levels. It shows time constraint factor and keeping the work and family life balance gets difficult for the employees which affect employee's punctuality as well. Overall response rate was negative.



PUNCTUALITY RESULTS

According to the results of questions under the dimension punctuality results of 4 questions out of 5 was negative. The results show that punctuality has become a major hurdle within the organization. Due to lack of time, employees cannot plan their own time or prepare daily activity list. That is the reason employees are not in a position to maintain high energy levels. Because all the dimensions under work satisfaction are interlinked with each other, if one of them is not present, the entire chain of work productivity, punctuality, morale and turnover are affected. Organization needs to pay attention over all the problems employees are facing to improve their work standards and environment. All these issues show the effects of 180 degree performance evaluation system that leads to decrease in work satisfaction level of employees in Bank Alfalah.

5.2 Identification of Issues

5.2.1 Lack of Motivation

During our project work, we noticed that the employees working at the bank lacked in motivation. They consider themselves as fulfilling their duties and express no interest in the work they perform. Due to this, the productivity is low and each employee does not exercise his or her full potential in performing work tasks.

5.2.2 Ill-defined Evaluation Process

Most of the employees complaint about the evaluation system and consider it to be incomplete and biased. The management lacks in communicating the importance and benchmarks for the evaluation system. Employees are not sure about what is exactly being measured in their jobs and what impact does the evaluation 'actually' have on their jobs. It is because of this that the employees do not pay much attention to the evaluation system that takes place in the Bank and tend to ignore its ramification.

5.2.3 No Development Opportunities

It has also been noticed by the group members that the employees do not place high value on the evaluation system because in their view, the feedback, which is seldom provided and inaccurate, does not help them in overcoming their weaknesses. The management does not provide any sort of developmental opportunity where they can improve their work skills.

5.2.4 Poor Performance Management System

The performance management system of the bank does not compliment the actual work routine, meaning that it does not cover all the aspects of the jobs performed by the employees. Moreover, lack of detailed feedback and evaluation by all the stakeholders makes it even more useless.

5.2.5 Lack of Job Commitment

Due to low morale and lack of motivation, the employees are ready to quit their jobs whenever they come across a lucrative job offer from any competitor. The main causes for leaving the job can be monetary reasons, better facilities at work, better reward and appraisal system, more perks etc. where leaving a job can be beneficial for the employees it is equally harmful for the bank in terms of hunting for new candidates, familiarizing them with the work system, trainings, developing appropriate skills and abilities.

5.2.6 Inefficient Training

The trainings at the bank are just a formality and no concrete outcome is expected out of them. These trainings are carried out on and off but have no significant outcome. These trainings are not aimed at enhancing employee skills or helping them learn new techniques. The results of the evaluation are never used to construct training sessions where employees can recognize their weaknesses and learn how to overcome them through these trainings. Also employees are not encouraged to participate in these

training sessions. Therefore, these trainings are considered to be of less use to the employees.

5.2.7 Biases

Just like many other organizations where bias is considered to be a great hurdle in the progress of many employees, the employees of Bank Alfalah also consider their promotions and evaluations to be biased. It is because of this fact that most of the employees are involved activities and give more attention to the ways in which they can impress their bosses. Many hardworking employees feel that bias will erode the values at the bank and will harm the entire system in the long run. Also bias is one reason that employees express their low job satisfaction and lack of commitment towards the organization because they know that no matter how hard they work, if they are unable to please their boss, there is no way that they will get a promotion. Some employees showed great resentment for this unethical behavior and expressed this to be the main reason for their discomfort at work.

5.2.8 Extra Workload

At the time of the job, organizations provide job descriptions to their employees which entail all the work they need to perform. Similarly, Bank Alfalah also provides such a job description but many employees still complaint that they are given extra work which is not part of their daily work and has little or no relation to their actual work. This work load frustrates them and makes them feel overburdened. Extra workload means extra effort and extra work hours. The Bank management seems to be knowingly

unaware of the implications of such work practices and the managers keep on assigning extra work to their employees and subordinates, which sometimes results in clash of interest and affects the working environment of the Bank.

Chapter VI

Possible Options/ Alternatives

6.1 Well Defined Evaluation System

With the growing emphasis on evaluation systems and implication of the results, it has become all the more important for firms to design and implement such evaluation systems that are widely accepted and acknowledged by the workforce. A well defined evaluation system should be the one that has no biases, includes all the important dimensions of the job being evaluated, and includes employee consensus. Well defined evaluation system not only helps in better understanding for the employee but also increases level of acceptability and transparency.

6.2 Orientation of New Employees

For employees who join the organization, it is important that they shall be introduced to all the norms and practices of the organization. Employee orientation helps them in recognizing the functionality, rules, culture and work ethics of the organization and also helps in deciding whether they are a good match for the organization or not. This helps in saving the time and resources of both, the organization, as well as the employee. If an employee finds himself a misfit for the organization then he can inform the management within due time and the management can arrange for a suitable alternative without having their costs wasted on that employees training and further development. Therefore, the banking sector should place due

importance on employee orientation and make it an essential part of their policy for new employees so that they are quickly familiarized with the system and work environment.

6.3 Involve Multiple Stakeholders in the Evaluation Process

One of the major problems of the organizations in Pakistan, specially the banking sector is that the management fails to understand the importance of employee evaluation and is unaware of its consequences. There are a number of problems with the evaluation process. Some organizations due not evaluate their employees on regular bases if they have an evaluation system at all. Other organizations take this evaluation as a formality and results are biased and totally opposite to those of the evaluation system. And last but not the least, a major factor that frustrates the employees is that the evaluation is done by their immediate supervisor only which not only invites nepotism but also ignores the other stakeholders such as subordinates, with whom the employee also interacts on daily basis. Whenever a performance evaluation is carried out, it should be made essential that all the stakeholders are involved in the process. This not only increases the validity of the process but also gains acceptability by the employees.

6.4 Define the Evaluation Criteria Clearly

Before the evaluation takes place, all the important variables of the job and the work environment should be collected and out into a questionnaire in such a way that not variable ignored. Also the employees must be

communicated the basic criteria against which their performance will be measured, so that there are no ambiguities on the side of employees. When the evaluation criteria is not well defined, employees start questioning the evaluation system and lose interest in the process.

6.5 Provide Employees with General HR Guidelines

The concept of Human resource is new to the organizations in Pakistan and is still at an evolving phase. In order to create an employee-oriented environment, where all the employees have equal rights and they realize their importance to the organization, a strong communication system should be established. And through this system the work standards, employee roles and expected behaviors should be communicated. Also performance criteria and their outcomes, in terms of rewards help the employees in defining future approach towards progress in such a way that it not only helps the organization but also leads towards their growth and career progression in terms of promotions, increased salary, job titles etc.

6.6 Hiring/Recruiting New Employees

With the passage of time, the methods for recruitment and selection have also evolved. Advancement in science and technology has helped in designing new and less costly ways of recruiting employees. From newspaper advertisements, to head hunting agencies, to internet, all these forms of recruitment help in attracting a great pool of potential employees. However, the organization must create a rigorous system of selection so that the time and resources spent on

recruiting an employee are not wasted. The selected candidate must be the perfect fit between organizations goals and the employee's personal goals. Bias and favoritism should be sidelined and merit should be the first priority of the human resource department.

6.7 Detailed and Accurate Job Previews

Low morale and dissatisfaction on the employees side emerges when he does not find he job according to the expectations that he had before joining the organization. Employees feel frustrated when they find a mismatch between the knowledge, skills and abilities they possess and the demand of the organization. In order to minimize such frustrations and reducing the rate of turnover, organizations must provide a realistic job preview to the new employees so that he knows exactly what would be expected out of him and how his skills can be utilized. For those organizations that do not provide a realistic job preview face a lot of trouble in terms of turnovers and low motivation of employees.

6.8 On-Job Training

It is not necessary to send employees off work to train them about the job. Employees can get on the job training which helps them in better understanding of the procedures and techniques. On the job training saves time as the employees are not physically shifted to another station or sent abroad. They can easily learn on daily basis while being on the job. This type of training helps in gaining practical knowledge and also helps in removing all sorts of

ambiguities from the minds of the employees as they know the practical implications of a technique, first hand. Also on the job training helps in reducing costs as the employees are not relocated very often. Many employees enjoy this type of training because they can better grasp all the aspects of a certain job while performing it by themselves.

6.9 Reward Performance

Good performance should always be rewarded as it boosts employee morale and motivates others to perform well. Rewards can be monetary, verbal, titles, souvenirs, promotions, salary increments etc. Rewards help in getting consistent performance from the employees and also help in retaining them. They are one of the major driving forces behind good performance by the employees and are also helpful in winning their loyalty and commitment to the organization. Therefore, organizations must look for new ways in which they can motivate their employees through rewards.

6.10 Give Regular Feedback

An evaluation system is of no use to the employees if they are not provided with the accurate feedback on their performance. Without feedback they cannot improve their performance, which means that they will keep on performing on the same level as before. An effective feedback helps the employees in recognizing their weaknesses and also helps them in identifying the ways in which they can overcome these weaknesses. Also feedback helps in maintain

the authenticity of the process and prevents anyone from speaking against it as not being transparent or fair. Organizations must provide both types of performance feedback to the employees i.e. negative feedback as well as positive feedback and also suggest ways in which employees can overcome these weaknesses (e.g. Trainings and counseling).

Chapter VII

Recommendations

Below are the recommendations that we suggest to Bank Alfalah in order to help them improve the evaluation process:

- Design a clear and accurate job description of employees. Clearly communicate to employees their roles, responsibilities and duties and expectations at work.
- A proper orientation should be given to new employee where he is introduced to the existing employees. A guideline should be provided to the employee that describes the general guidelines, policies and procedure of the bank as a whole. It should be ensured that the procedures and policies are known to each employee clearly. They should know what the organization stands for and what is expected out of them.
- Increase employee's satisfaction. Whatever is at the banks' disposal they try to adjust the maximum number of employees with the minimum number of resources at hand. This is a loss for the organization itself because unhappy workers will not provide the required output and hence decrease the overall performance of the organization.

- Define the evaluation process clearly to employees. List the factors and communicate effectively to the employees on which employees will be evaluated. There should be no ambiguity among employees about the criteria of the evaluation.
- Bank Alfalah needs to revise its HR policies. The policies should be clearer and detailed that cover in detail the entire concept of a specific subject matter.
- The evaluation process should not be based on only supervisor's feedback. Rather multiple sources of information gathering should be involved in the process. This can help reduce biases and favoritism.
- Training needs of employees should be constantly monitored. Employees with up to date skills and knowledge about the market, economy and its changing trend can take the organization to the heights of success.
- Rewards should be given to employees when they achieve or exceed their targets or do something extraordinary.
- Regular feedback should be given to employees on how they perform their strengths and weak areas that need to be attention.
- Effective performance evaluation system should be implemented. The evaluation process currently is not documented properly and is manual. A proper system

should be designed for this process. Proper documentation of the evaluation and feedback forms should be ensured.

- A meeting should be arranged between the supervisor and employee both before and after the evaluation. In the meeting before evaluation, the employee should be given a chance to identify his achievements and how he is eligible for promotions or rewards. In the meeting after evaluation, the supervisor should give his feedback and suggestions on improving performance.
- Bank Alfalah also needs to show a better career growth to employees in the organization. So that they can retain employees in the organization. It can help Bank Alfalah reduce the employee turnover rate and overall performance of the organization will improve.
- The HR department must also ensure that the supervisors who do appraisals are given proper training before implementing performance management system to enhance their critical skills.

Chapter VIII

Action Plan

Many organizations have implemented performance management systems that are based on accepted procedures and practices but are rejected by the users. Clearly there is more to an effective performance management system than well defined policies and procedures. Identifying and organizing the most important components of performance management has been a challenging task for organizations as well as the researchers.

First and foremost step that the bank should take is that it should allocate considerable amount of funds to the human resource department. These funds shall be utilized for the training and development of the employees. Performance management should be the key word and the processes should be improved on regular basis, meaning that new tools and techniques of measuring the employee performance should be incorporated. For example, introduction of 360 degree evaluation will help in removing the feelings of prejudice and bias from the minds of all the employees. As they will be evaluated by their subordinates, supervisors and colleagues, the system will be viewed as fair and transparent. Moreover, the performance evaluation should be conducted more than once a year and it should take place on regular bases.

Fairness however, is one key variable that has been identified as an essential component in the ultimate success of a performance management system. It helps in

gauging the acceptability and validity of the performance management system. There is a dire need for organizations to gauge the significance of 'fairness' and analyze the consequences of having an unfair performance management.

Involvement of employees in the entire process will give them the confidence about their abilities to overcome the weaknesses and it will also help them in realizing the degree of fairness of the system. Evaluation can only be meaningful if the employees place value on the validity and reliability of the evaluation results. They will accept the feedback and try to overcome their weaknesses only if they are aware of the fact that the system is free of nepotism and treats all the employees equally.

A clear distinction between good and bad performance should be made through rewards and recognition. Those employees who perform better than others should be rewarded in so that they are motivated to perform even better. Acknowledgment of work helps in raising the self esteem of employees and also increases their level of satisfaction at work. Individual and group recognition can help in developing work synergy amongst all the employees. Also, hiring of compatible and competent people can help in keeping up with the competition. New and talented people should be the priority at the time of recruitment and selection. The methods for recruitment and selection should be rigorous enough so that the organization gets the best pool of talented people. Knowledge, skills and abilities of the employees should be relevant to the job description. A well designed orientation to new employees helps in formalizing the expectations of new employees. It helps

them in deciding whether they are a good fit for the organization or not. In this way the organization can save the hiring costs as turnover will be low and productivity will be high.

According to a study by Skarlicki and Folger (1997) performance management system can become a source of disappointment and frustration for the employees when they start believing that the system is biased, irrelevant and political. If proper management practices are not in place, chances are that employees will perceive the entire system to be unfair and inaccurate which may lead to lowered self-esteem, damaged relationship with management, increased risk of litigation and emerging biases.

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Annexure

Questionnaire

Please answer the following questions; remember there are no "right" or "wrong" answers; we are interested in your opinions about your work and those you work with. Some questions may seem repetitive. This is so we can assess the properties of our survey measures.

Thank you for participating in this survey.

Organization:

Designation:

In my organization Performance Appraisal is conducted:

- once a year -----
- Twice a year -----
- Thrice a year -----

Performance evaluation report is written by

- My immediate supervisor-----
- My colleague/s-----
- My immediate subordinate/s-----
- Myself-----

- Customers/Clients-----

My supervisor provides me with the performance evaluation
 feed back

Yes----- No----- Sometimes-----

**Write the number in the blank given at the end of the
 statement.**

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

1. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful. -----
2. I find that my values and the organization's values are very similar. -----
3. I am proud to tell others that I am part of this organization. -----
4. I am willing to work for the organization as it provides me with opportunities for career growth. -----
5. I am satisfied with my understanding of how my goals are linked to company goals. -----

6. You allow coworkers to finish a task even if you could do it faster and better. -----
7. You are easily distracted by other tasks once you begin working on a task. -----

8. My work environment (equipment, space, facilities, etc.) enables me to be as productive as I can be. -----
9. Your lack of time to complete tasks puzzles you because you plan your time use. -----

10. You list many things to do but often lack time to do them. -----
11. I could just as well be working for a different organization as long as the type of work were similar. -----
12. I receive appropriate recognition for my contributions. -----
13. I can maintain a reasonable balance between family life and work life. -----
14. Given what I know about the company today, I see myself working for this organization three years from now. -----
15. My compensation matches the responsibilities. -----
16. Interruptions are one of my major timewasters. -----
17. I prepare a daily list of things to do. ----

18. I put the priority codes by all items on my daily activities list. -----
19. I have a list of performance goals for my work that are specific, measurable and have definite target dates. -----
20. I can develop high energy level quickly and maintain it a long time. -----

