

# A STUDY ON PERFORMANCE MANAGEMENT SYSTEM AT ICICI BANK

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## **Abstract:**

The purpose of this study is to evaluate Axis Bank's performance management system. We use the performance management system awareness, motivation, and technology aspects of a subset of bank employees in this study. The entire performance management system of the Bank reflects the goals that guided the conduct of the study. The management and measurement system for employee development is highly regarded by Bank staff members because they understand how it improves employee motivation, which in turn affects their performance. The "Chi Square Test" is the test that verifies the hypothesis and is used to evaluate the analysis. The report's analysis shows that the chosen bank has an effective performance management system.

**Key Words:** Performance Management System, Awareness, Technological factors, Employee performance and Motivation.

## **Introduction:**

Performance Management System refers to the overall human resource management process. People management is another term for it. If no one participates, an organization cannot last for a longer amount of time. The performance management system is a vital tool for assessing an employee's overall performance and improving their ability to perform at work. We investigated the performance management system of ICICI Bank.

With its registered office in Vadodara and its headquarters located in Mumbai, ICICI Bank Limited is a multinational bank and financial services provider in India. Through a number of delivery channels and specialized subsidiaries, it provides a broad range of banking and financial services in the fields of investment banking, life and non-life insurance, venture capital, and asset management to both corporate and retail clients.

## **Literature review**

**1. Prihatini Dewi and Utami Wiji and Priyono Agus (2019):** Their research indicates that an evaluation of the effectiveness of performance measurement that has been put into place is necessary since performance management data is helpful in developing the future business growth strategy. Performance management analysis, or PMA, is one tool for assessing corporate performance that aids in addressing the flaws that arise when businesses assess their financial performance alone.

**2. Rekha Shrivastava Rekha and Mathur Mathur and Barodiya Parmanand (2019):** study examines PMS is an essential tool for tracking and observing both individual and team performance. A company that aspires to improve its performance cannot afford to ignore individual and team performance. When creating a PMS, every possible roadblock that can appear during implementation should be taken into account.

**3. Brown C. Travor and O'Kane Paule and Mazumdar Bishakha and McCracken Martin (2019):** Their scoping study indicates that compared to concerns with feedback and goal alignment, research in PM is disproportionately focused on process aspects, with PA characteristics like format and psychometric traits receiving greater attention.

**4. Sullivan W. David and Yim Junhyok (2019):** The longer "value chains" of PM have received relatively little investigation; instead, journals have focused on the connections between the various PM components and each evaluation criterion considered separately. This is a good opportunity for future employment. Our ideas, in conjunction with the model and review, have the potential to greatly progress PM practice and research.

## **Research Methodology**

**Research Design:** Exploratory in nature

**Sampling Method:** Simple Random Sampling Method.

Sample Size: 50

**Data Collection Methods:** Primary Data collection through Questionnaire method.

**Limitations of the Study:**

- Time and cost are constraints.
- Sample was taken only ICICI Bank.
- Only Bhopal Branch taken for this study.

**Objective of the study**

1. To Study about the ICICI Bank employees' performance management system.
2. To examine the performance management system's operation.
3. To assess how satisfied employees are with the performance management system of ICICI Bank.

**Hypotheses of the study:**

**H01:** There is no significant relationship between Awareness of Performance Management System and Employee performance of ICICI Bank.

**H02:** There is no significant relationship between Technological factors of Performance Management System and Employee performance of ICICI Bank.

**H03:** There is no significant relationship between Motivation of Performance Management System and Employee performance of ICICI Bank.

**Data Analysis and Interpretations**

1. I am aware of how my work affects the company.

	No. of Respondents	% of Respondents
Strongly Agree	32	64
Agree	2	4
Neutral	13	26
Disagree	2	4
Strongly Disagree	1	2
Total	50	

**Interpretations:** In the above analysis I understand the influence my work has on the company. The 64% respondents strongly agree ,4% agree, 26% neutral, 4% Disagree & 2% strongly disagree with the organization.

2. I am aware of the most recent developments in the chosen organization's performance management system.

	No. of Respondents	% of Respondents
Strongly Agree	27	54
Agree	5	10
Neutral	6	12
Disagree	11	22
Strongly Disagree	1	2
Total	50	

**Interpretations:** In the above analysis the question no.2, I am aware of the most recent developments in the chosen organization's performance management system. 54% respondents strongly agree ,10% agree, 12% neutral, 22% Disagree & 2% strongly disagree with the organization.

3. The PMS system is made to accept input from all organizational levels.

	No. of Respondents	% of Respondents
Strongly Agree	24	48
Agree	8	16
Neutral	9	18
Disagree	2	4
Strongly Disagree	7	14
Total	50	

**Interpretations:** In the above analysis the question no.3, All organizational levels can provide input into the PMS system., 48% respondents strongly agree ,16% agree, 18% neutral, 4% Disagree & 14% strongly disagree with the organization.

4. The PMS system is fair.

	No. of Respondents	% of Respondents
Strongly Agree	29	58
Agree	5	10

Neutral	4	8
Disagree	7	14
Strongly Disagree	5	10
Total	50	

**Interpretations:** In the above analysis the question no. 4, the PMS is a just system., 58% respondents strongly agree ,10% agree, 8% neutral, 14% Disagree & 10% strongly disagree with the organization.

5. Employees know what is expected of them at all times

	No. of Respondents	% of Respondents
Strongly Agree	21	42
Agree	6	12
Neutral	8	16
Disagree	3	6
Strongly Disagree	12	24
Total	50	

**Interpretations:** In the above analysis the question no 5 employees are always aware of what is expected of them.42% respondents strongly agree ,12% agree, 16% neutral, 6% Disagree & 24% strongly disagree with the organization.

6. In a chosen organization, the PMS implementation is in line with current trends.

	No. of Respondents	% of Respondents
Strongly Agree	22	44
Agree	15	30
Neutral	4	8
Disagree	6	12
Strongly Disagree	3	6
Total	50	

**Interpretations:** In the above analysis the question no 6, The PMS implementation in the chosen organization is in line with current developments. 44% respondents strongly agree ,30% agree, 8% neutral, 12% Disagree & 6% strongly disagree with the organization.

7. The technological advancements in the telecommunications industry are to blame for my improved performance.

	No. of Respondents	% of Respondents
Strongly Agree	25	50
Agree	7	14
Neutral	8	16
Disagree	2	4
Strongly Disagree	8	16
Total	50	

**Interpretations:** In the above analysis the question no 7, Technology advancements in the telecom industry are what have improved my performance. 50% respondents strongly agree ,14% agree, 16% neutral, 4% Disagree & 16% strongly disagree with the organization.

8. My performance has direct impact of performance management system in the company

	No. of Respondents	% of Respondents
Strongly Agree	34	68
Agree	5	10
Neutral	2	4
Disagree	3	6
Strongly Disagree	6	12
Total	50	

**Interpretations:** In the above analysis the question no. 8, The company's performance management system directly affects my performance. 68% respondents strongly agree ,10% agree, 4% neutral, 6% Disagree & 12% strongly disagree with the organization.

9. non-monetary perks like honors, prizes, and workplace recognition inspire me to work harder.

	No. of Respondents	% of Respondents
Strongly Agree	32	64

Agree	5	10
Neutral	2	4
Disagree	3	6
Strongly Disagree	8	16
Total	50	

**Interpretations:** In the above analysis the question no 9, My motivation to perform better comes from non-financial perks like prizes, recognition inside the organization, and rewards. 64% respondents strongly agree ,10% agree, 4% neutral, 6% Disagree & 16% strongly disagree with the organization.

10. I'm motivated to do better and take advantage of growth chances by the performance management system.

	No. of Respondents	% of Respondents
Strongly Agree	25	50
Agree	7	14
Neutral	8	16
Disagree	2	4
Strongly Disagree	8	16
Total	50	

**Interpretations:** In the above analysis the question no 10, My motivation to improve and seize possibilities for improvement comes from the performance management system. 50% respondents strongly agree ,14% agree, 16% neutral, 4% Disagree & 16% strongly disagree with the organization.

11. The company's policy on promotions, pay increases, and other financial rewards encourage me to enhance my performance.

	No. of Respondents	% of Respondents
Strongly Agree	21	42
Agree	5	10
Neutral	11	22
Disagree	9	18
Strongly Disagree	4	2
Total	50	

**Interpretations:** In the above analysis the question no 11, The company's policy on promotions, pay increases, and other financial rewards encourage me to enhance my performance. 42% respondents strongly agree ,10% agree, 22% neutral, 18% Disagree & 2% strongly disagree with the organization.

**HYPOTHESES TESTING**

**H01:** There is no significant relationship between Awareness of Performance Management System and Employee performance of ICICI Bank.

**H11:** There is a significant relationship between Awareness of Performance Management System and Employee performance of ICICI Bank.

Results						
	Strongly Agree	Agree	Neutral	Disagree	strongly Disagree	Row Totals
Know the performance system	32 (26.60) [1.10]	2 (5.20) [1.97]	13 (8.00) [3.12]	2 (5.00) [1.80]	1 (5.20) [3.39]	50
Awareness	27 (26.60) [0.01]	5 (5.20) [0.01]	6 (8.00) [0.50]	11 (5.00) [7.20]	1 (5.20) [3.39]	50
Design	24 (26.60) [0.25]	8 (5.20) [1.51]	9 (8.00) [0.12]	2 (5.00) [1.80]	7 (5.20) [0.62]	50
Fair	29 (26.60) [0.22]	5 (5.20) [0.01]	4 (8.00) [2.00]	7 (5.00) [0.80]	5 (5.20) [0.01]	50
Expectation	21 (26.60) [1.18]	6 (5.20) [0.12]	8 (8.00) [0.00]	3 (5.00) [0.80]	12 (5.20) [8.89]	50
<b>Column Totals</b>	133	26	40	25	26	<b>250 (Grand Total)</b>

The Null hypotheses is rejected and alternate hypotheses is accepted so there is significant relationship between the Awareness of Performance Management System and Employee performance of ICICI Bank. The chi-square statistic is 40.825. The p-value is .000589. The result is significant at  $p < .05$ .

**H02:** There is no significant relationship between Technological factors of Performance Management System and Employee performance of ICICI Bank.

**H12:** There is a significant relationship between Technological factors of Performance Management System and Employee performance of ICICI Bank.

<b>Results</b>						
	Strongly Agree	Agree	Neutral	Disagree	strongly Disagree	<i>Row Totals</i>
Latest trends	22 (27.00) [0.93]	15 (9.00) [4.00]	4 (4.67) [0.10]	6 (3.67) [1.48]	3 (5.67) [1.25]	50
technology up gradations	25 (27.00) [0.15]	7 (9.00) [0.44]	8 (4.67) [2.38]	2 (3.67) [0.76]	8 (5.67) [0.96]	50
direct impact	34 (27.00) [1.81]	5 (9.00) [1.78]	2 (4.67) [1.52]	3 (3.67) [0.12]	6 (5.67) [0.02]	50
<b>Column Totals</b>	81	27	14	11	17	<b>150 (Grand Total)</b>

The Null hypotheses is rejected and alternate hypotheses is accepted so there is significant relationship between the technological factor of Performance Management System and Employee performance of ICICI Bank. The chi-square statistic is 17.71. The p-value is .023509. The result is significant at  $p < .05$ .

**H03:** There is no significant relationship between Motivation of Performance Management System and Employee performance of ICICI Bank.

**H13:** There is a significant relationship between Motivation of Performance Management System and Employee performance of ICICI Bank.

<b>Results</b>						
	Strongly Agree	Agree	Neutral	Disagree	strongly Disagree	<i>Row Totals</i>
Rewards	32 (26.00) [1.38]	5 (5.67) [0.08]	2 (7.00) [3.57]	3 (4.67) [0.60]	8 (6.67) [0.27]	50
Growth opportunities	25 (26.00) [0.04]	7 (5.67) [0.31]	8 (7.00) [0.14]	2 (4.67) [1.52]	8 (6.67) [0.27]	50
promotion policy, salary rise and other financial benefits offered	21 (26.00) [0.96]	5 (5.67) [0.08]	11 (7.00) [2.29]	9 (4.67) [4.02]	4 (6.67) [1.07]	50
<b>Column Totals</b>	78	17	21	14	20	<b>150 (Grand Total)</b>

The Null hypotheses is rejected and alternate hypotheses is accepted so there is significant relationship between the Motivation of Performance Management System and Employee performance of ICICI Bank. The chi-square statistic is 16.5981. The p-value is .034577. The result is significant at  $p < .05$ .

**Findings, Conclusions & Suggestions**

**Findings:**

- In the above analysis I understand the influence my work has on the company. The 64% respondents strongly agree ,4% agree, 26% neutral, 4% Disagree & 2% strongly disagree with the organization.
- In the above analysis the question no.2, I am aware of the most recent developments in the chosen organization's performance management system. 54% respondents strongly agree ,10% agree, 12% neutral, 22% Disagree & 2% strongly disagree with the organization.
- In the above analysis the question no.3, All organizational levels can provide input into the PMS system., 48% respondents strongly agree ,16% agree, 18% neutral, 4% Disagree & 14% strongly disagree with the organization.
- In the above analysis the question no. 4, the PMS is a just system., 58% respondents strongly agree ,10% agree, 8% neutral, 14% Disagree & 10% strongly disagree with the organization.
- In the above analysis the question no 5 employees are always aware of what is expected of them.42% respondents strongly agree ,12% agree, 16% neutral, 6% Disagree & 24% strongly disagree with the organization.
- In the above analysis the question no 6, The PMS implementation in the chosen organization is in line with current developments. 44% respondents strongly agree ,30% agree, 8% neutral, 12% Disagree & 6% strongly disagree with the organization.

- In the above analysis the question no 7, Technology advancements in the telecom industry are what have improved my performance. 50% respondents strongly agree ,14% agree, 16% neutral, 4% Disagree & 16% strongly disagree with the organization.
- In the above analysis the question no. 8, The company's performance management system directly affects my performance. 68% respondents strongly agree ,10% agree, 4% neutral, 6% Disagree & 12% strongly disagree with the organization.
- In the above analysis the question no 9, My motivation to perform better comes from non-financial perks like prizes, recognition inside the organization, and rewards. 64% respondents strongly agree ,10% agree, 4% neutral, 6% Disagree & 16% strongly disagree with the organization.
- In the above analysis the question no 10, My motivation to improve and seize possibilities for improvement comes from the performance management system. 50% respondents strongly agree ,14% agree, 16% neutral, 4% Disagree & 16% strongly disagree with the organization.
- In the above analysis the question no 11, The company's policy on promotions, pay increases, and other financial rewards encourage me to enhance my performance. 42% respondents strongly agree ,10% agree, 22% neutral, 18% Disagree & 2% strongly disagree with the organization.

**Conclusions:**

The Bank's performance management system is good overall, and it enables us to determine how employee performance is affected by technical elements, motives, and awareness. All employees support and strive toward the same corporate objectives. Employees have a positive perception of the company's performance review procedure. Because they receive regular updates on their performance reviews, the crew has faith in the management.

**Suggestion:**

The management of any company is encouraged to sit down and reconcile its PMS practices in order to make them more sustainable, based on the study's conclusions. Examining and taking into account employee concerns is encouraged, as is assisting workers in recognizing and resolving them cooperatively. Companies ought to put recognition tactics into practice. When workers feel that their efforts are valued and recognized, they will be more driven and positive. Organizations should involve employees in goal setting and provide rewards for their efforts in order to attain the important goals.

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