

**An Internship Report**  
**On**  
**Performance Management System of Citibank N.A Bangladesh**



**Inspiring Excellence**

**Master of Business Administration (MBA)**

**BRAC Business School (BBS)**

**BRAC University**

**Supervised by:**

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Former Governor. Bangladesh Bank

Professor. School of Business

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**Date of Submission: 17th April, 2019**

## **Letter of Transmittal**

17<sup>th</sup> April, 2019

**Dr. Salehuddin Ahmed**

Former Governor. Bangladesh Bank

Professor. School of Business

BRAC University

Subject: Submission of internship report on “Performance Management System of Citibank N.A Bangladesh”

Dear Sir,

With due respect, as student of BRAC Business School, I have prepared my internship report on “Performance Management System of Citibank N.A Bangladesh”.

Your valuable advice, suggestion and guidance have helped me to prepare the report with ease. I have done the study in a complete form and I have tried my level best to conduct this in a professional manner. I had little help from office due to extreme work load at office and because of busy schedule of my supervisor. I hope you will assess my report considering the limitations of the study. I have tried my best to make this report as informative and comprehensive as possible. However, due to various constraints there may be some mistakes for which I consent your apology.

Thank you for your kind considerations. It has always been my pleasure to work under your guidance.

Thank you

Sincerely Yours,

Sabiha Sultana

ID: 16164001

Masters of Business Administration

BRAC University

## **Letter of Endorsements**

It is indeed a great pleasure to certify that the internship report titled “Performance Management System of Citibank N.A Bangladesh”, completed under my guidance and supervision, is a unique work of Ms. Sabiha Sultana. The internship report is an individual achievement of the candidate’s own effort. Also I would like to acknowledge this internship report acceptable of submission to BRAC Business School, BRAC University for partial fulfillment of the prerequisite for the degree of Master in Business Administration (MBA).

**Dr. Salehuddin Ahmed**

Former Governor. Bangladesh Bank

Professor. School of Business

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## **Acknowledgement**

A successful Internship report reflects the affiliated organizations activities as it provides a virtual ground where the implication of theoretical knowledge experience with the practical teaching. It would not get its complement without active assistance of few people from Citibank N.A. I become more benefited and decorated for being oriented with a group of qualified and benevolent people. Their assistance and guidance can never be paid back.

I am thankful to Asif Zaman (Head of HR) and Pulok Debnath (Head of Regulatory Reporting), Citibank N.A for helping and guiding me while doing the internship program. They supported me and taught me various strategies, theories, tactics & philosophies while doing internship program. They shared a lot of information and allowed me to know about overall HR policies.

Finally, I specially acknowledge, Dr. Salehuddin Ahmed, Professor, BRAC Business School, BRAC University for his instructions and guidance. He is the man behind my diligence, inspiration and devotion. An instructor creates insight in students, which he did very successfully.

## **Executive Summary**

Citibank N.A is present on the ground more than 200 years and serving more than 160 countries and territories. Citi is relentless in driving winning performance for its clients and franchise anytime, anywhere. That's why Citi never sleeps. Employees share success and are committed to making a difference in the lives of people, organizations and communities around the world. Citibank N.A Bangladesh has a formal and structured performance management in their organization which makes the professionalism of the organization. They do the performance measurement at the end of the year via its own database input. Citi has 4 parts of performance management which includes: Goal setting, Development planning, Mid-year conversation and Year-end review. Every employee has maximum 7 goals. To determine the goals employees consult with their line manager. The manager uses previous year assessment data of the employee. The goals are weight based. . Citi's development plan is designed to identify and track action plans to enhance employees' short term and long term job performance, as well as career objectives.

Citi also give emphasis on the values that the employees process during the job. To measure the values they use numeric rating. At the middle of the year, the managers make mid-level review and at the end of the year, they do the final performance evaluation. All employees who join before 30th June have to face the whole performance management. They follow the behavior approach to measure performance. The final evaluation rating is given on Citi's website and approved by the individual, line manager, matrix managers and HR head. Overall, the performance management system is fair, structured and good one to increase the capabilities of the organization.

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# Chapter: 1

## Introduction

## **1.1 Origin of the report**

This report is originated as the academic report of the MBA program at BRAC University. The main purpose of the internship is to familiarize the students with the corporate world practically and slowly get them acquainted with the corporate culture.

The study has following purposes:

- To learn about the job responsibility.
- To relate the real scenario with the lessons learned in MBA program.
- To get exposed in the real business world.
- To fulfill the requirement of the MBA program.

## **1.2 Objectives:**

### **1.2.1 Broad Objective:**

- To explain the performance management system of Citibank N.A. Bangladesh..

### **1.2.2 Specific objectives:**

- To know the performance evaluation of Citibank N.A. Bangladesh.
- To learn about goal setting & compensation.
- To know the link between performance evaluation with training & development, compensation, reward, career development.

## **1.3 Scope of the report:**

The report is prepared based on the Performance Management used in Citibank N.A. The target is to give comprehensive understanding about the infrastructure of the Performance Management, and how Citibank N.A. is dealing with the system and how it is satisfying and retaining its employees and organization's interest by using the System.

#### **1.4 Methodology:**

Primary data are collected through

- Direct Interview and conversation with the Assistant Manager of Human Resource Department of Citibank N.A. Bangladesh
- Direct Observations

Secondary data are collected through

- Websites of the organizations.
- Employee handbook of Citibank N.A Bangladesh.

#### **1.5 Limitations:**

Abundance of information and experience is needed to prepare a good report. The limitations for making the report complete and perfect may include:

- Due to secrecy and confidentiality of the organization, some information will be held back.
- Time constraint is a major issue

Chapter: 2  
Organizational overview of Citibank  
N.A.

Citibank is the consumer and corporate banking division of leading financial services company Citigroup. The company has approximately 3730 branches 700 cities in 35 countries worldwide, and does business with around 160 countries. Citibank is headquartered in New York. It delivers a wide array of banking, lending and investment services to individual consumers, small businesses, large corporations and governments, as well as institutional and individual investors. (Citigroup.com, 2015) Citibank focuses substantial resources on growth in emerging markets. The company offers transaction banking businesses for these areas – e-Business, e-commerce, cash-management and electronic-banking business. Citibank global securities services provides securities- related services such as custody, clearing, agency and trust, and depositary receipts. In addition, its sales and trading business provides capital markets products to clients.

## 2.1 Citi’s Mission

“Citi works tirelessly to serve individuals, communities, institutions and nations. With 200 years of experience meeting the world's toughest challenges and seizing its greatest opportunities, we strive to create the best outcomes for our clients and customers with financial solutions that are simple, creative and responsible. An institution connecting over 1,000 cities, 160 countries and millions of people, we are your global bank; we are Citi.” (Citigroup.com, 2019)

## 2.2 Citi's Key Principles

<ul style="list-style-type: none"> <li>• <b>Common Purpose</b> One team, with one goal: serving our clients and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Responsible Finance</b> Conduct that is transparent, prudent and dependable.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Ingenuity</b> Enhancing our clients' lives through innovation that harnesses the breadth and depth of our information, global network and world-class products.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Leadership</b> Talented people with the best training who thrive in a diverse meritocracy that demands excellence, initiative and courage.</li> </ul>

**Table 1: Citi's Key Principles**

### 2.3 Citigroup Regions

Citi has divided its worldwide operation into four different regions. All of these regions have several regional head offices. The regional head offices directly report to headquarter. The Citigroup Regions are as below:



**Figure 1-: Citigroup Regions**

### 2.4 About Citibank, N.A. Bangladesh

Citibank, N.A. started its business in Bangladesh at 26th January, 1995. CITI is one of the strongest established banks in Bangladesh with its 3 branches, 4 service outlets and over 180 employers. Clients of CITI include both the private and public sector institutes. Well established Financial Institutes of CITI are supporting the cross-border transactions of nationalized and private sector banks in the country. Bangladesh corporate, financial customers and public sector clients with its award winning cash management, trade services, agency, trust, and direct custody and clearing solutions are supported by Global Transaction Service. Providing vital linkage and an integrated perspective throughout the Bangladesh supply chain and business operation, Citi's Corporate and Commercial Bank services local corporate and multinationals across several industries are playing vital role in the economic development in Bangladesh.

### 2.5 Branches in Bangladesh

<b>Branches</b>	<ul style="list-style-type: none"><li>• Dhaka- Gulshan</li><li>• Dhaka- Motijheel</li><li>• Chittagong</li></ul>
<b>Offshore Banking Outlet</b>	<ul style="list-style-type: none"><li>• Dhaka EPZ</li><li>• Chittagong EPZ</li></ul>

**Table 2: Branches in Bangladesh**

## 2.6 Product & Services offered by Citibank N.A. Bangladesh

Citibank N.A. Bangladesh offers the following products and services to its clients:

- **Cash Management Services:** Under cash management services Citi offers Account Services, Inward Remittance, Outward Remittance, Receivable Management, Foreign Currency Transaction Special Remittances & Services and other services.
- **Internet Banking Services:** Under Internet Banking Services Citi offers Citi Direct Basic for Corporate Client, Citi Direct Classic for Corporate Client, Citi Direct Basic for Bank, and Citi Direct Classic for Bank.
- **Import:** Under Import services Citi offers Letter of Credit services, Advance Endorsement, Import Billing services and other services.
- **Import – OBU:** Under Import-OBU services Citi offers Letter of Credit services, Credit Report Collection, Shipping Guarantee, Acceptance / Deferred Payment Undertaking and other services.
- **Export:** Under Export services Citi offers Export LC Advising, Transfer of LC /Amendment, LC Confirmation and other services.
- **Export – OBU:** Under Export-OBU services Citi offers Export LC Advising, Transfer of LC / Amendment, Export Billing services and other services.
- **Direct Custody & Clearing:** Under Direct Custody & Clearing services Citi offers Custody/Safekeeping, Fund Transfer, Proxy Attendance & Voting, Formatted Transaction and other services.



## 2.7 Organizational Structure of Citibank N.A. Bangladesh

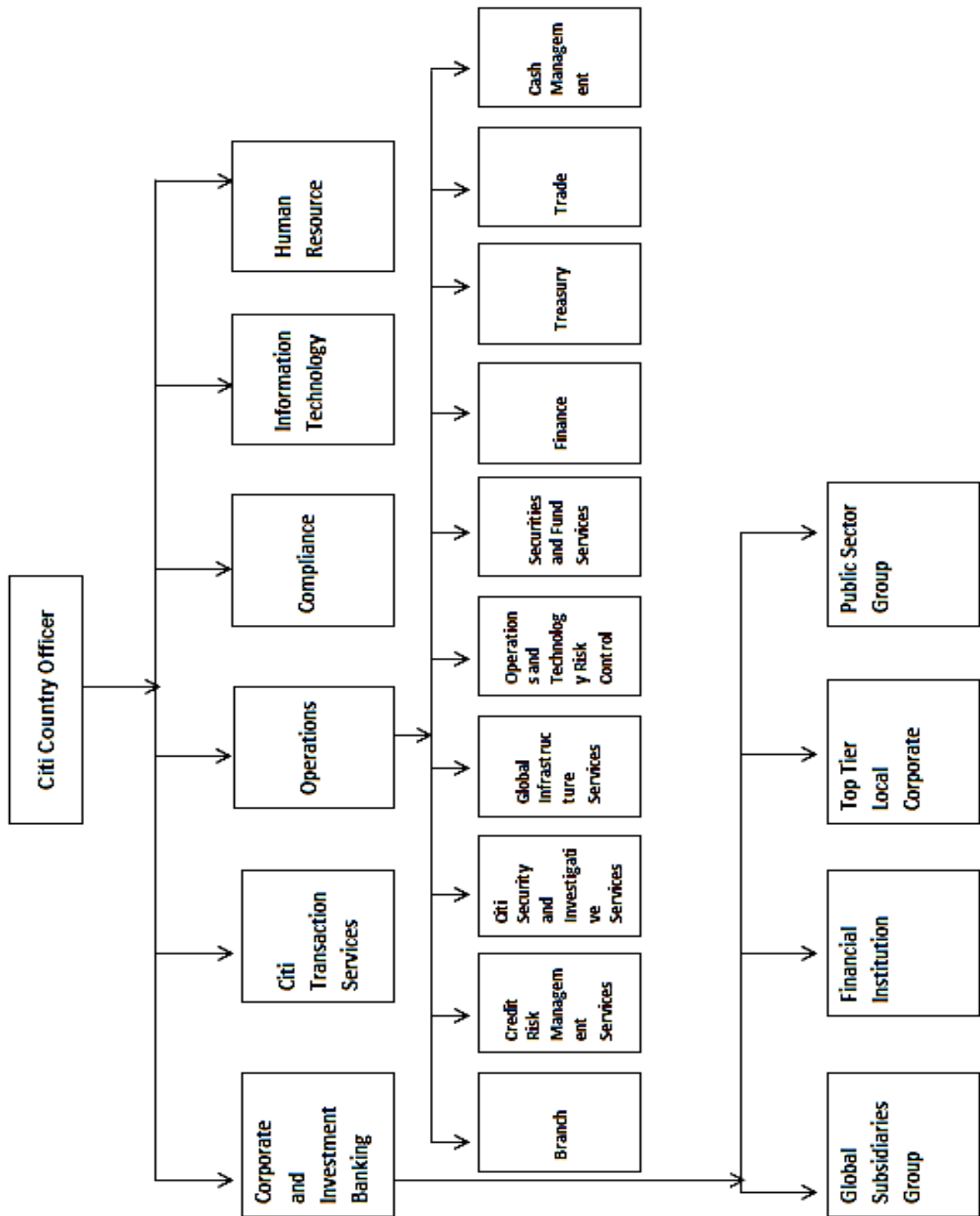


Figure 2: Organizational Structure of Citibank N.A Bangladesh

## 2.8 Human Resource Department at Citibank N.A. Bangladesh

Human resource department of Citibank N.A. Bangladesh consists of 2 employees: The HR head & Assistant manager. The HR head directly reports to the Indian Senior Vice President (SVP) of HR. The Assistant Manager is responsible for recruitment, rewards & compensation, ensuring everyone follows the core value of Citibank N.A. Bangladesh. The HR department also drives the performance management, develops the HR Policy, creates the pay policies, and develops the fringe & retirement benefit.



**Figure 3: Human Resource department of Citibank N.A. Bangladesh**

# Chapter: 3

## Performance Management System at Citibank N.A Bangladesh

### 3.1 Performance Management

Performance Management is a continuous process of identifying, measuring and developing the performance of individuals and teams; aligning performance with the strategic goals of the organization. There are two main components of performance management system

- **Continuous process:** Performance management is ongoing. It involves a never ending process of setting goals and objectives observing performance and giving and receiving ongoing coaching and feedback.
- **Alignment with strategic goals:** Performance management requires that managers ensure that employees' activities and outputs are congruent with the organization's goals and consequently, help the organization gain a competitive advantage. Performance management therefore creates a direct link between employee performance and organizational goals and makes the employees' contribution to the organization explicit.

Although many organizations have system labeled "performance management" they usually are only performance appraisal system. Performance appraisal emphasizes the assessment of an employee's strengths and weakness and does not include strategic business considerations. Also performance appraisal systems usually do not include extensive and ongoing feedback that an employee can use to improve her performance in the future. Finally, performance appraisal is a once-a -year event that is often driven by the HR department, whereas performance management is a year round way of managing business that is driven by managers.

### 3.2 Performance Management Philosophy at Citi

Citi employs a consistent Performance Management process that drives meaningful & specific feedback used to clarify expectations, facilitate growth and create a foundation for pay and promotion decisions. The resulting process is driven by the following guiding principles:

- Drive a culture of meritocracy, differentiating based on performance.
- Manage performance against challenging goals.

- Evaluate employees on how goals were achieved, not just end results.
- Provide balanced feedback and direction regarding strengths and areas for development.

### 3.3 Performance Management Objectives

- Recognize employee contribution.
- Ensure a clear link between pay and performance.
- Focus performance on key business priorities to drive business results.
- Continuously develop skills needed for employees to succeed in current and future roles.
- Provide high quality feedback to drive higher performance and talent development.
- Consistently raise the bar on performance.

### 3.4 Citi Performance Management Process Components

The Performance Management Process is an ongoing, year-round process and consists of 4 Primary components:

1. Goal setting
2. Development planning
3. Mid-year Conversation
4. Year-End Review



**Figure 4: Performance Management Cycle at Citibank N.A**

In addition, Performance Management is a dynamic process which includes ongoing reviews of goals, coaching, development, feedback and recognition throughout the year. These ongoing discussions are critical for a successful process.

Performance Management process can be processed through the system of Citi. For employees, this system is a key career management tool. For managers, the system is a powerful analytical tool. For the organization, it's a strategic business tool.

**3.4.1 Goal Setting:** The goal setting process is designed to ensure that every Citi employee working in concert to achieve Citi's key priorities and knows his/her role contributes to Citi's overall success. Goal setting sets strategic direction for the year & ensures alignment of individual employee's efforts with business strategy provides a structure/ process to achieve designed work outcomes and Enables measurement of performance against goals during year and review process. It also provides input to year & review, sets the stage for rewards & recognition and facilitates understanding of strengths & development needs. All employees who join before 30<sup>th</sup> June have to face the whole performance management. These are basically the purpose of goal setting.

**Types of Goals:** Four types of goals are seen in Citi. These are discussed below:

- **Personal Goals:** In personal goals there is a limit of 7 personal goals for each employee. Goals can be created by the employee, or copied from the manager's goals or assigned directly to the employee by the manager. Personal goals can also be copied from the prior year.
- **Business Cascade Goals:** Business Cascade goals are created at a business level. In this stage goals are managed by the Business and cannot be added or deleted by the managers and employees. Business can cascade multiple goals. Business goals do not count against the limit of seven personal goals.
- **Manager's Published Goals:** Managers can publish their personal goals for their direct or matrix reports to view and copy. Goals can be published to all team members or specifically select employees who would be able to see/copy each specific goal. Manager's published goals are included in the 7 manager's personal goal limit and if copied by the employee, also count against the employee's 7 goal limit.

- **Assigned Goals:** Assigned goals are created by a manager and assigned to specific direct or matrix reports. They have no impact on the 7 goal limit of manager who creates them. Goals are included in the 7 goal limit of the employee to whom they are assigned. They are editable or can be deleted by the employees to whom they are assigned.

**Goal setting process:** The system of goal setting process of Citi is divided into three times periods. The timeline of goal setting process are given bellow:

Period	Action
January-March	Goals Created and Submitted
April-September	Goals open for editing
October-December	Goals Locked

**Table 3: Timeline of Goal setting process**

The goal setting approach follows the following circle:



**Figure 5: Four Step approach to goal setting.**

1. **Assess Critical Business Needs:** The goal of Citi is based on its core principles and objectives. Citi follows the “line of sight” to set and distribute goals. Basically, the line of sight is broken down from the top of the hierarchy. When it ends in the department, the manager distributes the goals among the individuals and teams. The line of sight follows the following hierarchy:



**Figure 6: Aligning Employee Goals**

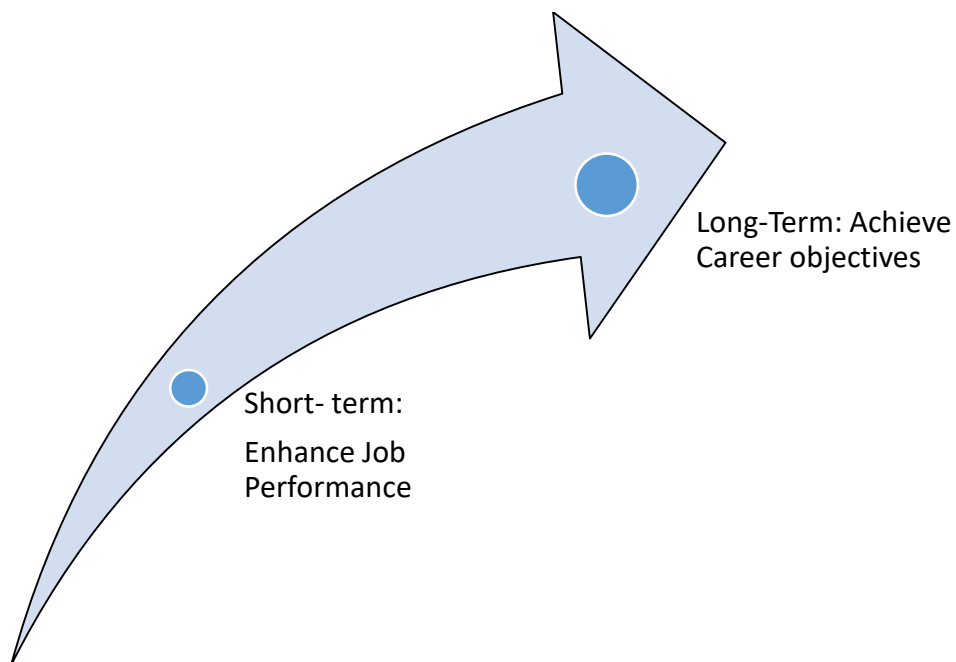
2. **Create SMART goals and performance measures:** The second part of the goal setting process for the employee is creating SMART goal.
  - Specific: Explicitly State the objective.
  - Measureable: Have a clear system of measuring progress and competition.
  - Achievable: Achievable and realistic based on available resources, skills and environment.
  - Relevant: Aligned with business objectives.
  - Time bound: Set a realistic time frame for completion.
3. **Entire Goals into PMS:** Use the system to document and track down goals. Employee can change or modify the goals considering quality (efficiency, meeting expectations of the client/business and feedback from the stakeholders); quantity (units of



measurement); cost (cost planning and staying within budget) and timeliness (meeting deadlines).

4. **Pursue Goals:** Basically means breaking down goals into small pieces and run the goal throughout the cycle. Adjusting goals by making contingency plans (benchmarking, learn from mistakes) or consider new opportunities are the matter focus of this part.

**3.4.2 Development plan:** Ongoing development is critical for success. Citi’s development plan is designed to identify and track action plans to enhance employees’ short term and long term job performance, as well as career objectives. Revisiting Development plan regularly, employee can review their progress and address any challenges or changes. The Individual Development plan identifies actions to enhance performance in current roles, develop skills and abilities needed for future assignments, accelerates growth and facilitates career management, feeds a stronger leadership pipeline, supports commitment and retention and drives business results.



**Figure 7: Individual Development Planning**

Employees can create their individual Development plans through the website of Citi. The website is basically a database that tracks all information about employee and updates it time to time. There are three main steps to create development plan:

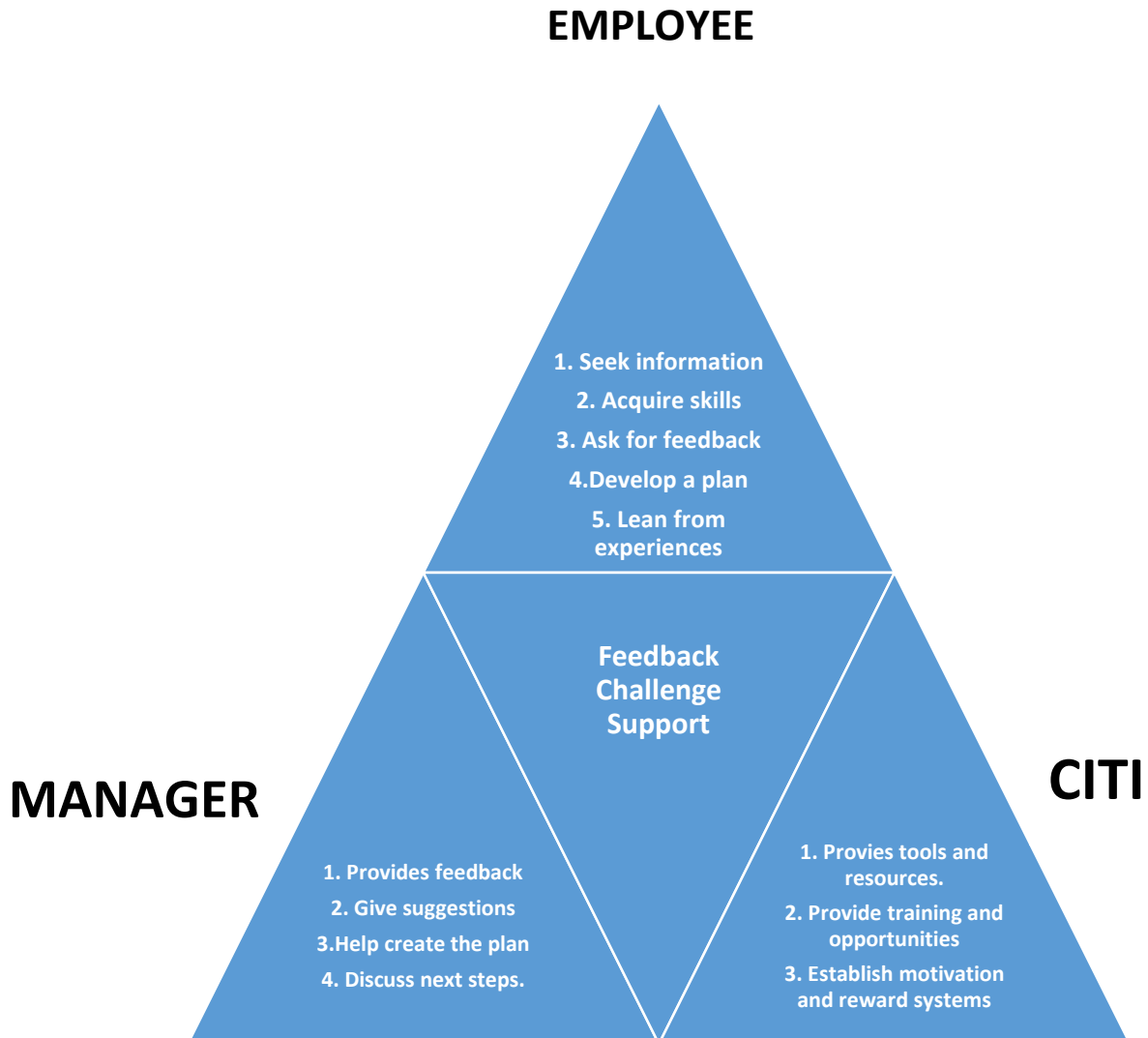
- 1. Identify demonstrated strengths:** The strength is developed by the most recent performance appraisal, past development plans, formal and informal feedback received from peers, managers, partners and direct reports, current goals, recent survey feedback (360 degree feedback, SWOT analysis) and career (expansion of current role like employees often expand their roles to take on broader responsibilities in response to direct requests from others and desired next role. Desired next role means accountability, flexibility, creativity, communication and passion in the work place.
- 2. Make a plan to enhance skills:** Document development areas identified during feedback conversations as well as new skills that could positively impact employees' current performance and future career growth. Citi believes that 70% of development occurs through on the job activities( stretch assignments/ projects, adopt budget responsibility, lead a cross functional team and process improvement, staff to line switches, international assignments, lead task forces, job changes and rotations), 20% through learning from others( mentoring, coaching, networking, shadowing, 360 degree feedback and teaching others) and 10% through training ( functional skills training, leadership programs, certification and self-study project). In fact research shows that on the job learning can have 3x more impact on performance than formal training programs.
- 3. Identify next potential assignment:** The last step of individual development planning is to identify potential next assignment that would be most appropriate to leverage strengths and fulfill career aspirations. Employee must keep in mind that next assignment can be upward or lateral.

After finishing the above three steps the employees share and validate their development plan with their manager, revisit and update individual development planning regularly, monitor progress against plan periodically, Commit themselves to action.

**Career Development plan:** Career development is a three way partnership between employee, manager and Citi. Employee are expected to take a lead role in the process by proactively managing their career and pursuing learning opportunities to strengthen the skills needed to achieve goals. Managers are expected to support employee development by providing candid feedback, challenging developmental assignments and exposure. Citi will provide the tools, resources and training opportunities to facilitate employees' growth.

Employees make the most of this partnership by creating a game plan to build new skills and keep up with changes in the company strategy and direction. Receiving feedback on

performance, being challenged, and getting support from others are critical to development. A key part of this process is having an up to date individual development plan with ongoing monitoring of progress to date.

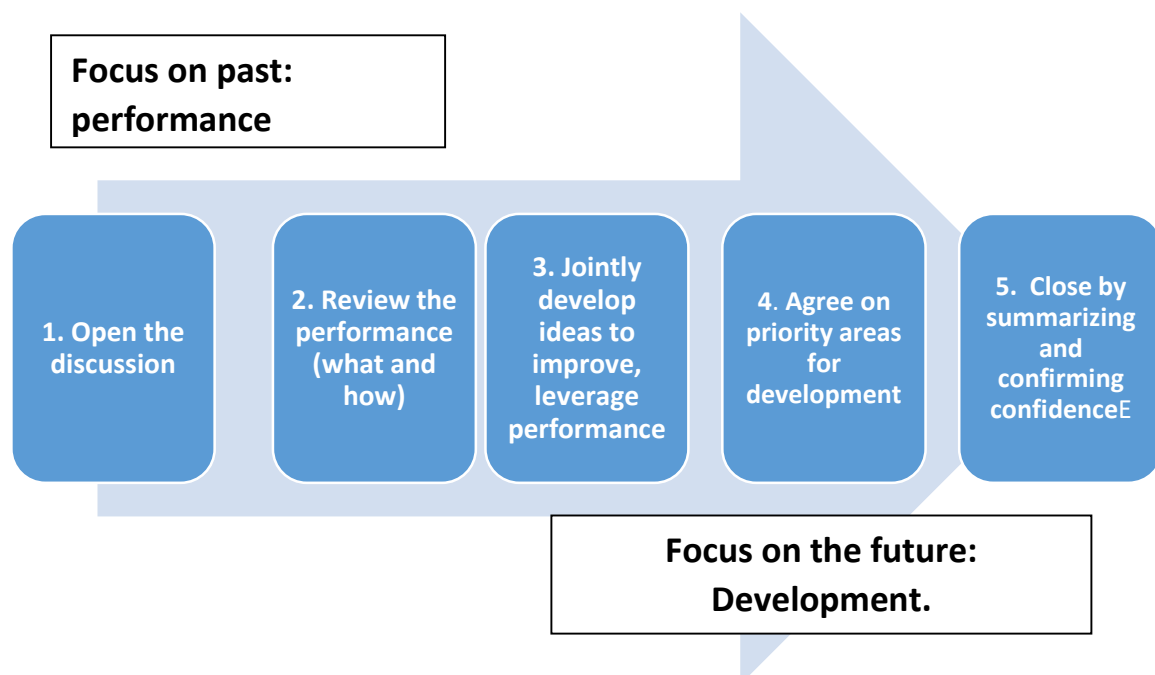


**Figure 8: Career Development plan**

- Employees' Responsibility:** Employees' responsibility is to seek information about the strategy, vision and direction of Citi and the line of business; pursue learning to keep pace with change; ask for candid feedback from manager, peers and staff on performance and development needs; develop a plan for future growth and review it with manager, ensure employees' profile in Citi's website accurately portrays experience/ skills, periodically assess self-progress and update plan as necessary and build Citi network.

- **Manager’s Responsibilities:** Manager’s responsibility is to provide candid feedback and coaching on an ongoing basis, ensure alignment between the employees’ developmental needs and career goals to business goals/objectives; suggest ways to acquire new skills, capabilities and knowledge, provide challenging developmental assignments, on the job training and exposure for your development; support employees in creating and executing their development plans and discuss potential next steps with employees on their career aspirations.
- **Citi’s Responsibilities:** Citi’s career responsibility is to provide tools and resources to help employee improve performance in existing position as well as lay the foundation for next role, provide training and opportunities for acquiring new skills, capabilities and knowledge.

**3.4.3 Mid-year conversation:** The mid-year conversation is a formal meeting between manager and employee to discuss an employee’s performance to date and have a development conversation. These conversations provide an opportunity for employees to receive meaningful and specific feedback about their performance to date against goals and behaviors, allow employees to adjust goals if business priorities have changed, help employees understand their overall strengths and development needs, as well as identify relevant development activities. Below are the five steps of the mid-year conversation. They are the same as the steps for the year end conversation; however an additional emphasis is placed on the development portion during mid-year.



**Figure 9: The components of Mid-year performance and Development plan conversation**

The first two steps are focus on past performance and rest of them focus on the future development. The components of mid- year development conversations are discussed below:

**Step 1: Open the discussion:** Manager state the purpose and what will be addressed during the conversation, set the context for what will be discussed and the nature of the conversation and develop rapport and establish a comfortable and supportive setting (e.g., what would you hope to accomplish in this discussion).

**Step 2: Review the performance (what and how):** Manager review performance to date against goals (review goals that were set at the beginning of the year with employee, ask open ended questions and listen, share thoughts to employee's performance against goals and how he/she achieve those goals); share honest feedback using specific examples (share concrete, specific examples of observed performance that employee can build upon, offer suggestion on how employee can improve performance in the future, describe the specific behavior observed and how it impacted others on the team) and adjust goals and plans as necessary (based on review of the employee's performance and current business priorities, reassess goals and adjust as necessary). Review performance against goals basically means to identify opportunities to course-correct, set the stage for a discussion about development opportunities.

**Step 3: Jointly develop ideas to improve, leverage performance:** Manager discuss employee's overall strengths and development needs (manager ask where employee sees his/her core strengths, ask about current development areas); explore employees' career interests and aspirations ( manager ask what is most important to employee in the workplace, discuss how aspirations align with his/her capabilities as well as organizational needs, inquire about geographic mobility); and designated potential (provide context on this year's talent review process, share the employees talent designation, discuss why the employee was designated, what it means / doesn't mean and next steps expectations).

**Step 4: Agree on priority areas for development:** In this stage manager consider (the individual strengths and needs and team and organizational strategies, tactics and goals). Manager identifies relevant development activities together that is based on development needs, brainstorm and choose 1-2 specific impactful development actions to add to his/her individual development plan; consider different types of development actions, ask employee how to support his/ her development.

**Step 5: Close by summarizing and confirming confidence:** This discussion is divided by two main parts:

- **Schedule time to review progress:** Manager meet with employee at least 1x before year end to check progress of his/her development, manager consider using a small part of one to one meeting ( manager-employee) time to discuss development.
- **In closing the discussion:** Manager Summarize commitment that have been made and confirm confidence and commitment to the professional development for employee.

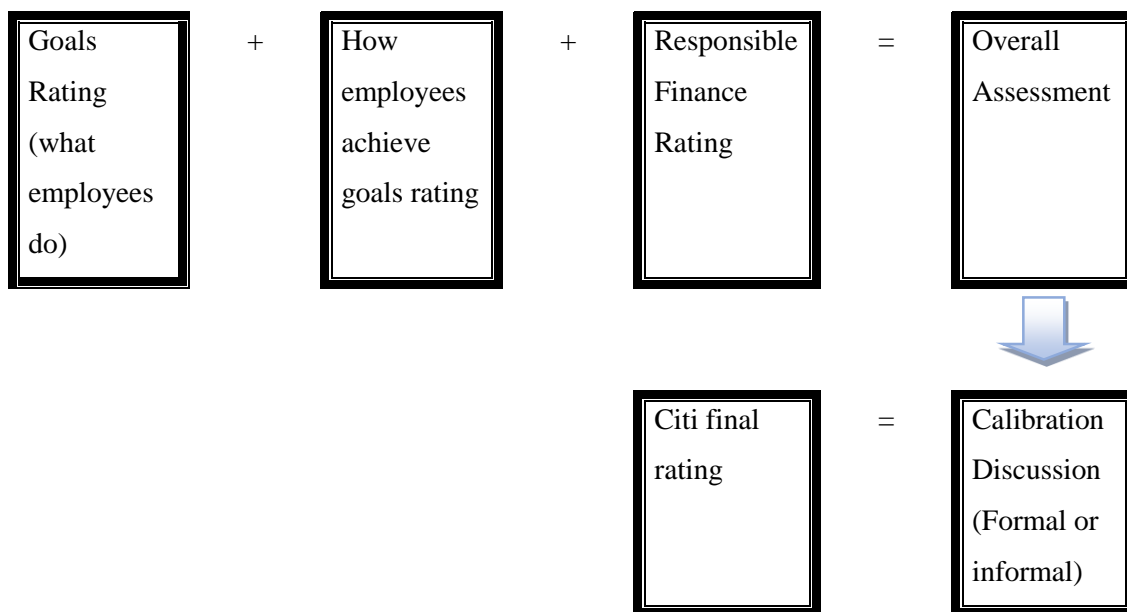
**3.4.4 The year-end review process:** The performance review process provides an opportunity for employee to understand their strengths, developmental needs and relative performance. An effective review process includes thoughtful and honest feedback, acknowledgement of employee contribution and facilitation of development. The performance reviews formalize and document the on-going feedback, coaching and recognition already taking place; sustain focus on results ensuring that work is of a consistently high level or improves overtime; ensures recognition for accomplishment, facilitate development and learning and create a foundation for pay and promotion discussions.

<b>TIME PERIOD</b>	<b>ACTION</b>
OCTOBER	<ul style="list-style-type: none"> <li>• Goals locked</li> <li>• Employee self-assessment</li> </ul>
OCTOBER - DECEMBER	Manager reviews employee’s goals , employee completes self-assessment and manager completes managers assessment.
DECEMBER	Calibrated rating due
DECEMBER - JANUARY	Manager and employee meet for performance discussion, manager submits and shares assessment
DECEMBER - FEBRUARY	Employee final feedback

**Table 4: Time line of the overall review process.**

Performance differentiation recognizes and encourages exemplary performance, a strong factor in decisions about development, pay and promotion, fairly aligns the distribution of pay and rewards with the performance ratings, supports credible and valid performance reviews, results in realistic picture of team or group performance, recognizes strengths and identifies areas for improvement

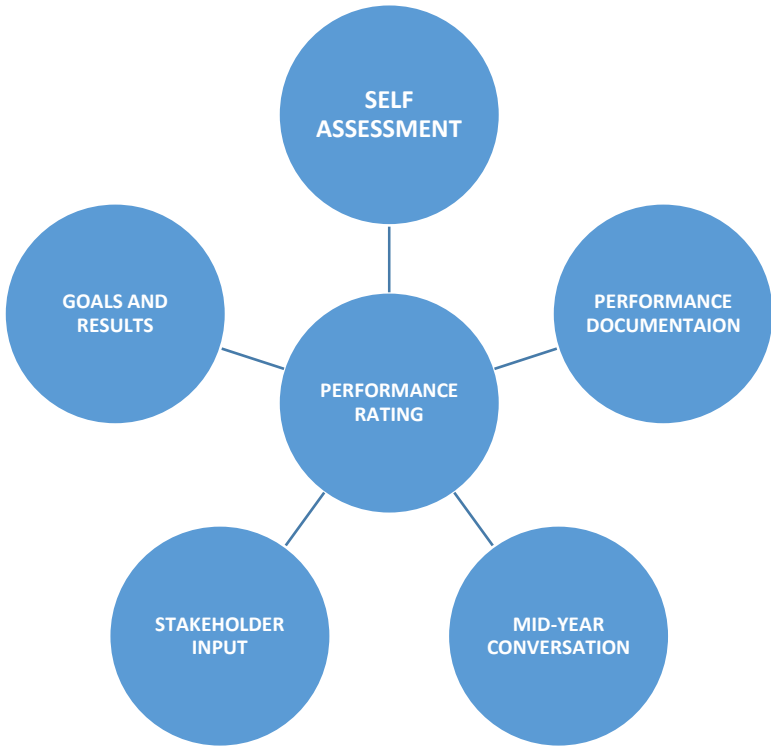
**Performance Appraisal System:** The bellow components are basically the components of performance evaluation of Citi. Citi has no performance appraisal form like other organization. The components of evaluation exist in the company website. During specific time line manager and employee update their rating. Then HR accumulates it and rates the performance.



**Figure 10: Components of performance evaluation**

1. **Goals Rating:** At the beginning of the year employee enter his/her business goals into the system of Citi. The goals are basically cascade goals and personal goals. At the end of the year employee rate himself/herself what is achieved and what is not. Then forward it to the line manager. The line manager verifies it then forwards it to the HR.
  
2. **How employees achieve goals:** It's a predetermined standard mentioned in the website of Citi. Citi categorize the standard into three parts. Common purpose, ingenuity and leadership. The common purpose maintains client focus – understand client needs and drives customer satisfaction, work as a partner and shares resources that could benefit other areas, set clear and challenging performance goals for self and team. Leadership rewards, recognizes and promotes individuals based on performance; actively teaches, coaches and grows team members' skills and capabilities and provides balanced and specific feedback to others in proactive way. It also fosters a positive team environment in which people of diverse backgrounds feels valued; takes responsibility for addressing problems, finding solutions and making prudent decisions.

- 3. Responsible finance:** It's also a predetermined standard mentioned in the website of Citi. Managing risk and compliance is the main part of responsible finance. It assesses appropriately risk/reward relationships when making business decisions, demonstrating particular consideration for the firm's reputation and safeguarding the bank by applying sound ethical judgment regarding business practices; identifies and escalates, risk inherent in particular situations or transactions and its impact on any part of the Citi organization; acts in a manner that is consistent with our commitment to fairness, value and dependability; adheres to code of conduct of Citi, corporate and business specific policies and considers appropriate controls as part of day to day responsibilities; assures that risks, including money laundering, bribery and sanctions risks, are adequately identified, assessed, monitored, controlled and reported; its transparent and open in communications; contributes to a 'no surprise' compliance culture by managing control issues with transparency and candor.
- 4. The overall assessment:** The overall assessment of performance rating of Citi is a combination of goals rating, way to achieve these goals rating and responsible finance rating. The Citi final rating is determined after a calibration of the employee's overall performance rating. Sources of overall assessment include employee self-assessment and stakeholder input.



**Figure 11: Performance rating system**



Employee self-Assessment Encourages employee participation and balanced effort and ownership, Increases introspection on part of employee, facilitates honest reflection, fosters communication between manager and employee, surfaces differences of opinion and assumptions between employee and manager ( employee can provide new insights to manager, encourages fairness in the process).

Performance documentation generates and manages fair, accurate, and non-biased documentation of employees' behavior and performance. Performance evaluation and progressive discipline go hand in hand as tools supervisors and managers can successfully use to correct behavior, motivate employees, and set employee goals. It provides better protection against lawsuit.

Mid -year discussion serves as a time to review progress. Following the conversation, acknowledge in the database of Citi that a mid-year performance and development discussion occurred. Stakeholder input provides manager with additional data about performance (Perceived attainment of goals, demonstration of important behaviors and skills), obtain diverse perspectives to paint a full performance picture and input (direct reports, peers and partner groups and internal or external customers) into individual employee development areas.

**Goals and results:** How an employee turns his/her goals into meaningful results is a matter of concern here. The HR collects rating data from the line manager and verifies it through the matrix manager. The performance rating systems are given below:

Type	Rating characteristics
Exceptional	The rating describes performance that is consistently exemplary.
Highly effective	This rating describes performance that is consistently strong and at times exemplary.
Consistently strong	This rating describes performance that is consistently strong and is a characteristic of employees who have accomplished all that was required.
Partially effective	This rating describes performance that needs some improvement.
Not effective	This rating describes performance that is unsatisfactory and needs considerable improvement.
Not applicable	Use only where appropriate. For example for a new hire in area where there is insufficient information to justify a rating.

**Table 5: The rating system**

**5. Calibration discussion:** There is two crucial differences between mid-year and year end conversations first No rating is assign in mid-year conversation and Performance is not the primary focus of the mid-year conversation.

<i>Step 1: Open the discussion</i>	<i>Step 2: Review the performance rating</i>	<i>Step 3: Jointly develop ideas for improving or leveraging performance</i>	<i>Step 4: Agree on plan for performance goals and development going forward</i>	<i>Step 5: Close by summarizing/confirming confidence</i>
Manager state the purpose of the discussion.	Seek employee input first then share the rating with the employee	Seek/discuss ideas for improving performance as necessary	Specify development action areas to improve performance	Highlight key agreements
Identify the importance and impact of the performance management process	Review goal by goal and way to achieve these goals	Try to resolve rating disagreement areas	Specify actions to leverage strengths	Confirm confidence and commitment
Ask for agreement and check for understanding that employee agrees with the purpose and importance	Review rating against agreed upon SMART goal measures	Explore needed resources/ support	Discuss follow up and measurement approaches	Set follow up steps (further development planning, goal setting)
	Match employee's words to those written in the assessment			
	Use specific behaviors and examples			
	Summary ratings			

**Table 6: Sequence of the performance conversation**

**6. Citi Final Rating:** After finishing formal and informal session with the employee. Employee writes his/her outcome i.e. self-appraisal in the database of the Citi. Then line manager puts remarks based on the performance. Line manager puts one of five remarks in the database. HR uses 360 degree feedback system to rate employee. The rating types and values are given bellow:

Type	Values ( Numeric Rating)
Exceptional	1
Highly effective	2
Consistently strong	3
Partially effective	4
Not effective	5
Not applicable	N/A

**Table 7: Numeric rating system**

After getting feedback from all sources, HR updates the database of the employee. The result is given on the website of Citi. This system of rating is called numeric rating.

Many performance management systems are plagued with rater errors. The errors can be intentional or unintentional. Citi become aware of the possible errors the raters can make and tries to avoid it.

High potential error	Providing a rating based on future performance rather than current performance.
Past performance error	Permitting employee's performance in previous rating periods to influence the manager's judgment in the current rating period
Recency effect	Rating the employee on recent events rather than their overall performance throughout the assessment period.
Similar to me effect	Tendency of managers to rate employees who resemble themselves higher than they rate others
Stereotyping	Tendency to generalize across groups and individual differences
Favoritism	Tendency to rate people more highly based on relationships
Halo/horns effect	Inappropriate generalization from one aspect of employee's performance
Central tendency	Tendency to rate people in the middle of the scale
First impression error	Allowing first impression to color or distort later information

**Table 8: Common Raters pitfall to avoid**

### 3.5 Coaching and feedback

Ongoing coaching and feedback are the most important activities in the performance management process. When managers and employees engage in continuous dialogue regarding performance, they are better able to understand expectations for performance, effectively prioritize work and employees be aligned about professional development and career aspirations. Additionally, research indicates that ongoing coaching and feedback enhance motivation, employee satisfaction and performance. Citi provide both virtual (Citi system) and classroom trainings around coaching and feedback. The training method is differs based on hierarchy. The top level get training about leadership management (client value, delivers results, partnership at different level, building teams, act as an owner, ability to lead change), the mid-level get training about the priority issues and the entry level employees get training about Citi group, code of conduct of Citi, retail banking, basic computer training etc.

**3.5.1 Models for coaching:** Effective coaches use a model to give structure to their conversations. The different models can be used for different situation; the following models are used at Citi:

1. **Curbstone coaching:** This model is used for providing feedback directly following and observable moment. It is used to immediately reinforce, refine and improve upon observed behaviors and performance.
2. **SBI (Situation, Behavior, and Impact):** This model is used to create a two way coaching dialogue to provide feedback which will correct, redirect and derive performance, this model can address critical issues that require immediate attention.
3. **GROW (Goal, Current Reality, Options (or Obstacles), Will (or Way Forward) coaching:** This model is used to help employee build their self-awareness and accountability. Unlike curbstone and SBI, this model can be used to coach employees on situations that are not directly observed by the manager.

#### 3.5.2 Steps for coaching:

1. Prepare for the coaching conversation: Here line manager observe potential coachee, identify performance or development areas to address, choose an appropriate coaching model and ask employee to prepare for coaching.
2. Hold the coaching conversation: Line manager use a structured approach to avoid giving advice or instruction, ask open question to understand the employee's ideas

and perspective, allow the employee to learn from past efforts but focus on future possibilities and obtain agreement on goals and create an action plan.

3. Follow up with the coacher: line manager discuss what's looking well and what isn't and make any needed adjustments in the goals or the coaching process.

### **3.6 Reward and Recognition**

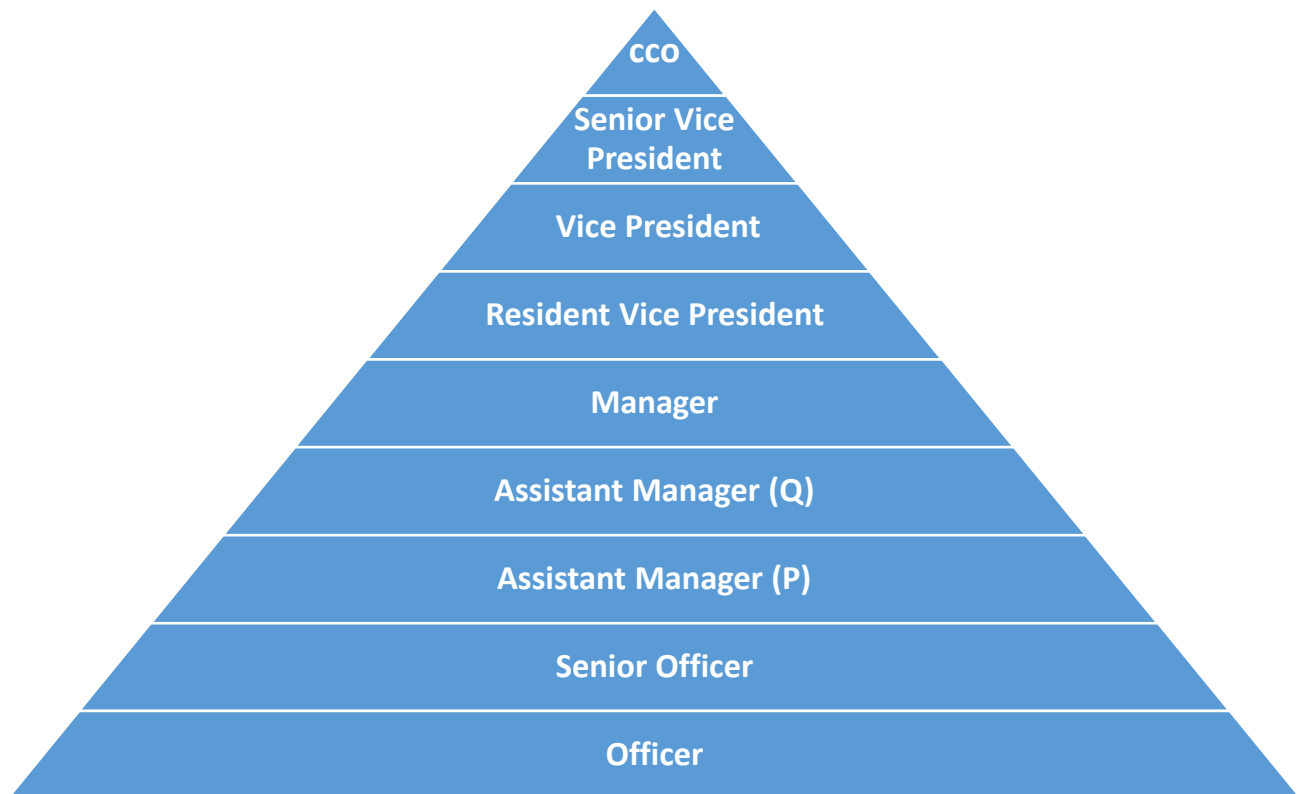
Citi believes that being number one is not about the bank. It's about employee. Citi recognize employees' effort in making Citibank a market leader.

- **Annual salary review:** The annual salary review process is carried out through a common review date. All eligible officers come up for consideration for merit increase review on this date. The performance rating of an officer and current pay in the grade are important in determining the quantum of the increase. One important factor that determines that amount of merit increase is the organization's ability to pay.
- **Total increase rate:** Total increase rate is tool or measure that the organization uses to manage its salary rate of growth based on business conditions especially since salary expenses from a large proportion of the organization's total expenses. TIR is expressed as a percentage of the current local cash salary and would indicate the merit increase budget for a year. TIR increase percentage are determined both grade wise and function wise (for specialized functions) based on market data and the Citibank senior policy committee decision on our targeted positioning for the two categories. Based on the TIR an increased percentage is assigned to each ranking cluster.
- **Bonuses/ Incentive compensation:** If business conditions permit, and depending on an employee's performance. The bank may pay a bonus to selected employees.
- **Employee of the month awards:** This award recognizes actions and behaviors performed by individual Citi bankers each month that go beyond their normal scope of work. The mancom make the selection from nominations submitted by unit heads. The selected employee is given a certificate and prize bonds.
- **CEO's quarterly Awards:** This award recognizes teams or (individuals) for exceptional performance during a quarter that demonstrates results in terms of revenue increase, measureable customer response/feedback, expense reductions, cycle time or

defect reduction. Apart from certificates the awardees (individual or group) are entitled to reimbursement of expense incurred for overseas trip. Individual award amounts are decided by the CCO.

### 3.7 Talent path

From the help of manager, employees think through opportunities to develop. Citi believes employees are ultimately responsible for their own career. Citi appreciates extraordinary work, experimental learning honesty and constructive conversation with manager about goals and aspirations and finding mentors. Citi also provides leadership development courses and additional management training or professional development courses. The talent path of Citi is given below:



**Figure 12: Talent path of Citibank N.A Bangladesh**

The promotion policy of Citi is employee get promoted every 3 years. At the end of the year if an employee performs extraordinary performance then he/she get promoted after 2 years. The growth level is slow after manager. Citi also launches global leadership program where talented employee participates and got chance to work in overseas Citi branches like Singapore, Thailand, and Malaysia etc.

# Chapter: 4

## Findings

#### 4.1 Findings:

- The performance management system of Citibank N.A is effective because performance evaluation is linked with training and development. It is also linked with compensation and reward. Through the whole process it is seen that the goals of Citi are aligned, collaboration is seen in every stage between managers and employees and Citi provides employees with professional development opportunities.
- The multi-rater feedback (360 degree feedback) enables the employee to be aware of his/ her performance, that is if he/she is performing according to the Citi's goal or mission statement. In addition, this concept enables Citi to be aware of the skills the different employees have and thus Citi can set up a strategy to meet employees individual goals and boost overall corporate productivity. One common drawback of 360 degree feedback is that employees may not feel comfortable offering frank opinion of supervisors.
- The career growth opportunity of Citi is comparatively low to other organization. The promotion is uncertain so do the salary increment. This may cause job dissatisfaction.
- Citi believes that people learn 70% from on the job activities, 20% from learning from others and 10% from online training but sometimes online training is not that effective because online courses are solitary. Some online courses go part way in that they have multiple choice questions at stages throughout so the user has some idea of how much they are learning, but this is a poor substitute for having a knowledgeable.



# Chapter: 5

## Recommendation & Conclusion

## **5.1 Recommendations**

- If an evaluation system (written exam or formal interview) or benchmark assessment is given after each online training then employee will participate in online trainings attentively. Manager will easily understand the short comings of the employee by seeing the training assessment.
- In case of multi-rater feedback manager may understand the situation then discuss the shortcomings with the employee in a healthy way.
- Citi may extend individual work responsibility. As a result, career path will be divided and employee will be motivated.

## **5.2 Conclusion**

At last it can be said that, with their performance evaluation system, Citibank N.A is doing very well. The organization is performing the performance review system very efficiently. Citi believes that using the present performance management process, they can ensure the best effort from the employees in future like they are having now. On the other hand, the employees are very much satisfied with the overall performance management process that the organization is following. In a word, Citibank N.A Bangladesh is very much concern about their employees' performance and the employees' are doing their duties using their successful performance system. Despite of other factors, the employees are very much satisfied with their present system and they believe that they can be successful in future like present time also.

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## **Appendices**

### **Appendix A: Questionnaire**

- Is there any formal system of evaluation of performance management practice?
- Is the individual goal connected with department or organizational goal?
- What strategies of your organization have been linked to the performance management system?
- Are the employees aware of their responsibilities in connection with the rating system?
- Do you think the employees are motivated enough to perform well?
- Is attrition rate computed in your organization after the performance appraisal?
- What aspects of the organization you are planning to improve employee retention?
- How effective has your organization's performance management process proved in improving over performance?

## **Appendix B: Abbreviations**

**SWOT:** Strengths, Weakness, Opportunities, and Threats.

**PMS:** Performance Management System.

**TIR:** Total Increase Rate.

**SBI:** Situation, Behavior, and Impact.

**GROW:** Goal, current Reality, Options (or Obstacles), Will (or Way Forward).