



NRB Bank

“Evaluation of Performance Appraisal of NRB Bank Ltd”



Inspiring Excellence

Internship Report

On

Evaluation of Performance Appraisal of NRB Bank Ltd

Course Code: BUS400

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Letter of Transmittal

09 May, 2019

N.M. Baki Billah

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66, Mohakhali, Dhaka 1212.

Subject: Submission of internship report on “Evaluation of Performance Appraisal of NRB Bank Ltd”.

Dear Sir,

With due respect, I hereby submitting my internship report on “Evaluation of Performance Appraisal of NRB Bank Ltd”. It is a requirement of the BBA Program which is a very great opportunity for me.

To prepare this report, I have surveyed the employees of NRB Bank Ltd and analyzed the collected data to evaluate the effectiveness of PA process of NRB Bank Ltd. I have tried to cover all important aspects of Performance Appraisal with the most relevant information. I have used both theoretical knowledge and practical knowledge that I have gathered while doing my internship in NRB Bank Ltd.

I’m submitting this report to you for the evaluation of my internship report. I would like to thank you for your guidance and support throughout the whole internship program.

Sincerely,

Ninia Akter Papia

ID: 15104118

BRAC Business School

Letter of Endorsements by the Supervisor faculty

This is to certify that Ninia Akter Papia, ID: 15104118, BBA program, BRAC Business School, BRAC University has done her Internship Report on, **“Evaluation of Performance Appraisal of NRB Bank Ltd”** for the purpose of completion of the BBA internship program.

I accept the Internship Report and wish her a successful career.

N.M. Baki Billah

Lecturer

BRAC Business School

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Acknowledgement

First of all, I would like to thank the almighty for giving the strength and capability to complete the internship report on time.

I would like to show my gratitude for my honorable internship supervisor Mr. N.M. Baki Billah for giving me proper guidance and support while I was preparing my internship report. Without his support and instructions it would not have been possible for me to complete this report.

My sincere thanks to the entire BRAC Business School for arranging Internship Program that helped me to gather both theoretical and practical knowledge about a real workplace.

I would like to show my effortless respect and thanks to my company supervisor Mr. Fahad Anwar Sinha (FAVP and Senior Manager of HRD) of NRB Bank Ltd for providing me with guidance and the information needed for preparing this report. I have learned many HR related activities because of his support.

Lastly, I would like to thank the HR team along with other interns of this department for giving me their valuable time and inspiring me throughout the whole internship program. Because of them my internship journey seemed easier and their support also helped me with lots of things of this internship report.

Executive Summary

Performance Appraisal is a vital tool of HRM and for an organization there is no other effective tool for measuring employees than performance appraisal. It helps to give an overview of the employee's performance and it also provides results on the regular job performance of the employees. Through providing regular feedback managers and employees understand how well they are doing on the job. An effective performance appraisal finds the gap and measures which training and developmental program the employee needs. Moreover, it also helps with consistent promotions and salary increases which motivates the employees. In this internship report, it has been evaluated the effectiveness of performance appraisal of NRB Bank Ltd based on the tenure of 3 months starting from 18th December 2018 to 17th March 2019.

This internship report mainly focuses on the evaluation of the effectiveness of performance appraisal of NRB Bank Ltd. Firstly, an overview of NRB Bank Ltd has been discussed along with its products. Then, after the introduction to the report, literature review, methodology the main part comes the data analysis part. For the evaluation I have collected data through questionnaire and descriptive survey. And then analyzed data through using pie charts, bar charts to show the percentages. Employee's satisfaction with performance appraisal, frequency of feedback, training and development needs measurement, fairness about the appraisal, rewards and motivation are the main features of an effective performance appraisal. So, the evaluation has been done on all of this main features. Overall, the evaluation given a positive result about the effectiveness of performance appraisal. Finally, some recommendations has been provided which will help the organization to make their performance appraisal more effective. The evaluation has given a positive result on the evaluation of performance appraisal of NRB Bank Ltd which indicates it is effective.

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1.0 Organizational Overview

1.1 Overview of the company

NRB Bank Ltd is known for its newly developed banking structure (Migrants Sponsored Banking) in which initial capital are financed by the non-resident nationals. Majority of the deposits are provided by the non-resident nationals and NRB Bank provides loans to the peoples of home country from this deposits. It is also one of the fourth generation private sector banks. It started its journey in 2013 with the aim of meeting the needs of broad customer base. From 1990, there was a demand for this type of banks in Bangladesh. So, Bangladesh Bank asked for NRB (Non-resident Bangladeshis) bank applications in 2011 and out of them only 3 three got approval in 2013. And NRB Bank Ltd was one of them and they started their operations just after getting approval with the tagline “*Not Just Another Bank*”.

On 4 August, 2013, NRB Bank started its banking operations under the license issued by Bangladesh Bank. Currently the bank has 40 branches and 36 ATM booths and 2100 shared ATM booths all over Bangladesh for providing the customers with a comfortable and easier money transection system. They have almost 600 permanent employees and more than 200 contractual employees. Its aim is to provide customers with wide range of financial services and products, personal and commercial banking, and trade services and cash management to its customers.

NRB Bank Ltd has total 21 directors including the chairman Mr. Mahtabur Rahman. According to annual report of December 2017, NRB Bank’s total authorized capital is 10,000,000,000 TK and total paid up capital is 4,000,000,000 TK. They are maintaining their all banking operations as per rules and regulations provided by the Central Bank of Bangladesh. They are not only maintaining their banking operations properly but they are also full filling their responsibilities towards the country. For example, on 2017 they provided the government with 1crore TK for the flood affected people in Bangladesh. However, the Bank is providing their customers with different kinds of banking services such as retail banking, credit card, e-banking etc.

However, despite all the challenges NRB Bank Ltd has showed satisfactory results in all their business operations and operating profits has reached from 810 million to 850 million in 2017.

1.2 Vision, Mission & Values:

Vision:

To be the leading dedicated financial institution for NRBs to invest in Bangladesh and for Bangladeshi individuals and corporates to access international markets.

Mission:

NRB Bank aims to be the preferred provider of targeted financial services as a conduit for investment to and from Bangladesh for our Bangladeshi communities both domestically and internationally, to accelerate the industrialization of Bangladesh.

We will strengthen these relationships by providing the right solutions that combine professionalism, expertise and financial strength.

Values:

We are trusted financial advisors; valuing our local roots and remaining dedicated to our global presence by being different than any other banks.

Dynamic: We strive to change and perform to progress

Innovative: We foster ideas through finding better ways to improve

Global: We empower to create competitive edge to set international standard

Integrity: We govern by the principles of ethics and transparency

Techno centric: We step ahead of technological advancement

1.3 Divisions:

NRB Bank Ltd Follows the common divisional structure like other banks. Now it has almost 17 divisions and each of this divisions has several departments. In each of this divisions the company three job levels and the job levels are entry level, mid-level and top-level. Each Division is working relentlessly to make their organization operate on the higher level by providing customers with the best services. The name of the divisions are given below:

1. Retail Banking Division
2. Corporate Banking Division
3. Human Resource Division (HRD)
4. Facilities Management Division
5. BRAND & Communication
6. SME Banking Division
7. Agent Banking Division
8. Credit Risk Management Division (CRMD)
9. IT & ADC Operations
10. Internal Control & Compliance Department (ICCD)
11. Risk Management Department (RMD)
12. Operations Division
13. Finance & Accounts Division
14. Card Division
15. Treasury & Financial Institution Division
16. Company Secretariat Division
17. MD's Office

The most important divisions are corporate banking, retail banking, agents banking as a bank. But the without the other divisions it is impossible to manage the banking operations properly. For example, the work of Human Resource division is one of the most significant because without their operation it would not have been possible to hire the required employees for the organization. However, each individual division is responsible for different types of work and all together their work is enabling the bank to operate.

1.4 Products and services of NRB Ltd:

Retail Banking Services:

- Current Account: This account serves those customer who needs to do a frequent and bulk amount money transection regularly.
- NRB Savers Account: Customers will get a monthly interest payment on their savings under this accounts facilities.
- Amar Shopno Account: NRB Bank has this special account for those people who are underprivileged and such offering has brought banking to the doorsteps of this underprivileged people.
- Power Saver Account: Under this saving account customers will get a daily interest payment on their saving.

There are many other accounts like pearl account, current plus account, RFCD account, Investment savings account etc. which has made customers savings much more easier.

Corporate Banking Services:

- Business Transection Account: NRB offers businesses money management easier with service.
- Term Deposits: NRB Banks term deposit gives the best return for their customer's money and it is auto-renewal service.
- Payroll Banking: To make the business holders payment management easy NRB Bank Ltd has come up with this offering.
- Cash Management Services: This service serves with collection and payments of money throughout the country in the form of utility bill, payments and different fees.

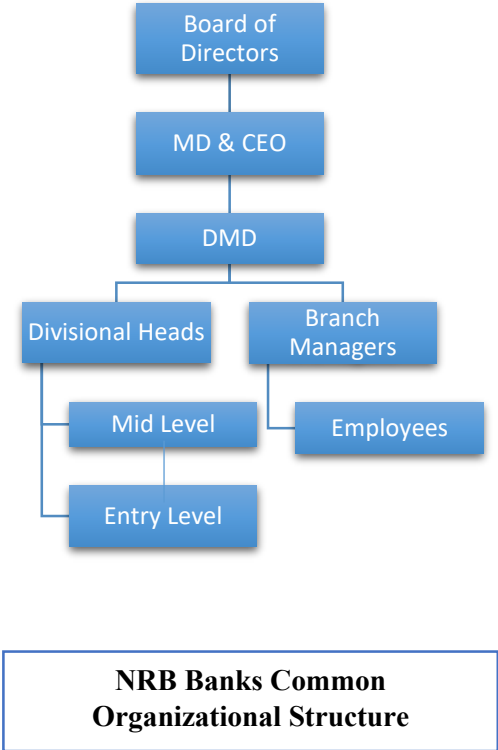
Credit Card Services:

- Visa Gold
- Visa Classic
- Visa Master

With this different types of credit card services NRB Bank Ltd has made the money transaction easier and safe anywhere and anytime. Customers can get 5%-20% discounts on their shopping's from 94 clothing stores. And they can get 4%-20% Discounts from 113 restaurants by using this card. Customers can even get discount on their healthcare services from 10 hospitals and huge amount of discounts on hotel & resorts as well. Travelling, footwear, jewelry and many other things are included as well.

1.5 Organizational Structure:

In our country most of the banks follows a common organizational structure and NRB Bank Ltd is not different in this term. They also follows the same structure which starts with board of directors and the flow of responsibility goes through the MD and CEO to every top level employee to the entry level employees. I'm going to show the organizational structure of NRB Bank Ltd through a chart of flow.



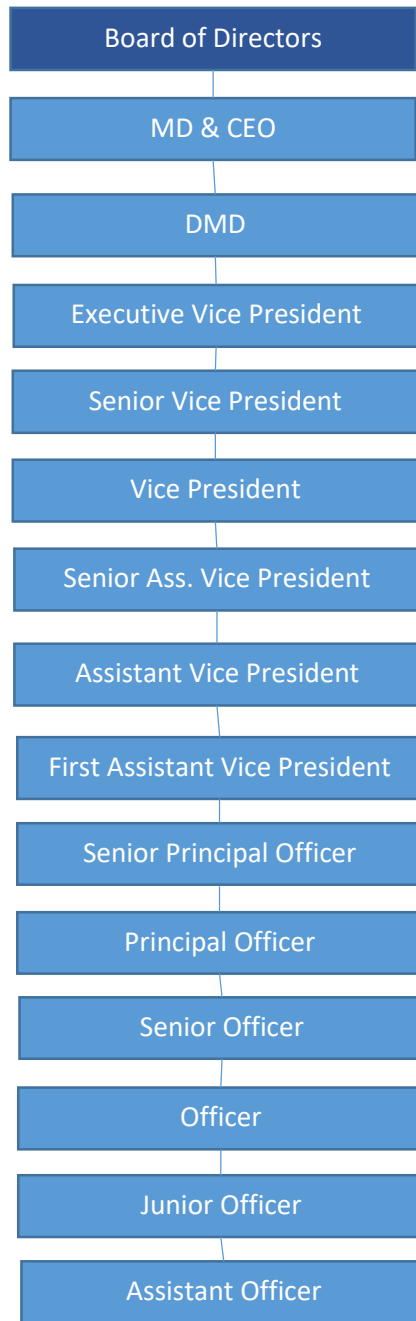


Diagram: Organizational Hierarchy of NRB Bank Ltd

2.0 Introduction to the report

Bangladesh is a developing country and to keep the pace of the economy banks have been playing a very important role though industrialization. Banks collect savings of individuals as deposits and then they fund the deposits as loans to private sector and public sector companies. They provide loans and collect deposits for a specific percentage of loans. From 1972 banks in Bangladesh have gone through many ups and downs. But the contributions that the banks are making in agricultural, RMG and pharmaceutical sectors are significant. Bangladesh Bank updating their rules and regulations regularly keep the banks under control. However, the banking industry is very competitive in Bangladesh because of the huge number of banks in this country.

NRB Bank is a 'Non Resident Bangladeshi' bank started its journey as fourth generation bank in 2013 after getting approval from Central Bank in 2011. In this report the performance appraisal of NRB Bank Ltd has been explained in details and a survey analysis has been done to evaluate the PA of NRB Bank Ltd through employee's opinion. Performance Appraisal is one of the most important terms in Human Resource Management as it covers various activities. So, extensive amount of research has been done on Performance Appraisal. The aim of this study is to analyze critical factors that influence the effectiveness of performance appraisal.

2.1 Background of the report

This report has been prepared as a part of academic requirement for the course BUS400; internship, of Bachelor of Business Administration (BBA) Degree. According to the requirement of this course the students of BBS of BRAC University have to attain an internship program in an organization. The objective of this internship program is to get some practical knowledge of the real workplace. Educational knowledge is important but getting some practical knowledge is also important and that is the reason for doing internship. Mr. N. M. Baki Billah approved my project topic '**Evaluation of Performance Appraisal of NRB Bank Ltd**' and helped me with guidance and support as an academic supervisor for the project.

I have done my internship in the HR department of NRB Bank Ltd under the supervision of Mr. Fahad Anwar Sinha (FAVP & Senior manager of HRD) from 18th Dec 2018 to 17th March 2019. Mr. Fahad Anwar Sinha helped me by giving guidance and important information for the project.

2.2 Rational of the study

The number of the organizations are on the rise so the world is becoming more competitive. There is competition for attracting more customers, hiring the best candidates and providing the best service. Human Resources are the most important element for gaining competitive advantage in the business world. An organization tries to hire best employees for their organization and tries to retain them as long as possible. Because products can be duplicated but duplicating employee is impossible. So, after hiring employees the organization measures the performance tries to find the gap and then arranges training. In training the organization do a lots of investment. In motivating the employees the organization also spends a lots of money. So, there is a need for a performance appraisal system that will be effective enough to measure the performance of employees perfectly and also it will serve the employees in such a way that the employees will be always satisfied with their evaluation. A performance appraisal has many purposes and the reason for this report is to find out whether NRB Bank Ltd is successful enough to meet the purposes of performance appraisal. Because it will ensure the effectiveness of performance appraisal of the organization.

2.3 Statement of the problem

There is widespread use of performance appraisal in the banks of Bangladesh. PA has the potential to provide useful information for an organization about employee's performance and it is one of the best measurement tools for understanding the need of training and development. Now, the problem is most of our employee's performance are determined based on the opinion rather than real indicator. Because determining performance through real indicator takes time. Because of the time it takes sometimes many organization sees it as barrier in terms of achieving organization goals. Moreover, it is sometimes used for showing power to the subordinates. As a result the PA loses its true purposes and employees also becomes dissatisfied with the system. Their dissatisfaction results in dissatisfaction with the overall job and it results in lower productivity. So, this research has been done to analyze the main factors related to performance appraisal of NRB Bank Ltd to evaluate whether the EPA of this bank is effective or there is a need to improvement.

2.4 Scope of the Study

The main focus of this project is to evaluate the performance appraisal system of NRB Bank Ltd. For this a survey has been conducted on the employees of NRB Bank Ltd and questions covers the critical factors relating to performance Appraisal. This survey has been conducted only on the employees of head office of NRB Bank Ltd which is at Gulshan Avenue. Overall I got 32 employees for my survey with the help of my supervisor. I have chosen my respondents only form the head office because it was not possible to go to all of the branches. The survey results has been shown in graphs, charts in this paper and interpretation has been given for all of the answers.

2.5 Objectives of the report

General Objective:

The general objective of the report is to evaluate the employee's performance appraisal process of NRB Bank Ltd. This evaluation is based on frequency of feedback, training and development needs measurement, employee's motivation after getting rewards etc.

Specific Objective:

- To know the objectives for conducting PA in NRB Bank Ltd
- The Importance of Performance Appraisal Factors
- To know Impact of Performance Appraisal on employees of NRB Bank Ltd.
- To know the limitation of Performance Appraisal of NRB Bank Ltd
- To find out the things organization can do to make the Performance Appraisal more effective.

2.6 Limitations of the study

- First of all I would like to mention it was a little hard to get all the information needed because of the confidentially of the organization
- Another limitation was the short duration of the internship program in the organization as it takes time to understand the workplace much more deeply
- I have been able to take survey of 32 employees because of the busy schedule and many of the employees were not willing to participate in the survey

3.0 Literature Review

Lawler and McDermott (2003) have addressed that Employee Performance Appraisal is one of the most effective tool of HRM to assess the performance of employee and it plays an important role in terms of implementing strategies to improve the performance of the employees. Prior Literature has indicated that employee performance appraisal is an effective tool in terms of attaining lots of objectives of an organization. In this aspect, Selvarajan and Cloninger (2009) have said that the result of an effective performance appraisal is improved performance of employees and motivation. From this point, it can be said that the poor performers and the strong performers of an organization can be identified through the help of performance appraisal. It has also been found from prior researches that an effective performance appraisal has 5 significant outcomes; I) establishing equity among the employees of the organization, II) motivating the employees, III) giving reward, IV) improving employee performance through finding the gap and V) reducing employee turnover (Rao, 2004; Selvarajan and Cloninger, 2009). Though a huge attention is given to the performance appraisal, many previous researches have indicated that there is higher level of dissatisfaction with the results of performance appraisal because of the inaccuracy, unfair treatment and political influence (Rao, 2004). It is so obvious to get both positive and negative feedback. But Rao (2004) mentioned that employees are more likely to listen positive things about their performance rather than the negative one. And effectiveness of performance appraisal depends on the feedback and the way employees are taking those feedbacks. An effective performance appraisal should be used to find the weak areas of employees because this result in identifying the training needs (Rao, 2004)

4.0 Methodology

In this section, I'm going to discuss the data collection methodology, sample size, sampling procedure and sources of data:

Sample Size: There were almost 200 employees in the head office of NRB Bank Ltd and I have conducted my survey on 32 employees. So, my sample size is 32. I have chosen the samples from different departments.

Sampling Procedure: Out of 200 employees I have been able to conduct my survey on 32 employees. In my survey, I have chosen 3 top level employees, 10 mid-level employees and 14 entry level employees purposively and other employees have been chosen randomly.

Sources of Data Collection:

I have used both primary and secondary resources of data:

Primary Data: I have collected primary data through doing the survey. Even I have been able to collect data through discussion from the Senior Officer. I have mainly used the primary data for analysis.

Secondary Data: I have also used secondary data for knowing about previous studies on this topic. I have been able to get some information from those and used it in the report.

Questionnaires: I have used structured questionnaires for the survey. In the first section of the questionnaire there are some demographic questions for knowing their age distribution, salary and their job level. Then, I have used some statements and those statements followed the structure of likert scale as the respondents answered them on a scale of 1-5. Then I have used 2 open ended questions in the last of the survey. These open ended questions were important to get important suggestions from the respondents.

I have used graphs like bar chart, pie chart and showed the responses on a percentage in data analysis part. I have used Microsoft excel for calculating the results of the survey and showing them in graphs for making it easier to understand.

5.0 Internship Experience

I started my internship journey at HRD of NRB Bank Ltd on 18th December 2018 immediately after finishing my final examinations of the last semester. My office used to start at 10 am and used to leave the office at 6:30 pm. As I started working there I started to learn new things. First, I learned about the recruitment procedure as I used to take joining of every new employee. At the beginning it was a bit difficult task for me because I have to check and take so many documents. But after someday it became a very easy for me to do the task. And this actually indicates that practice makes a man perfect. Sometimes there used to be immense pressure of work but I learned to deal with it. I have also learned about promotion, performance evaluation, leave, turnover, salary structure and every kind of HR related works. I got such a great opportunity because my supervisor used to alter my work every day. My first one month went like that and all of my colleagues used to praise me a lot because of my effectiveness and efficiency in the work. After one month of the internship program my all previous thinking changed and I got a positive view of the overall organization. Then, my supervisor gave me a new work to see how fast I can give entry of employee files in their HR software 'Sylvia'. This software helps them to keep track of every kind of information's about every employee. At the beginning I was able to give entry of 13 employees file but as the time passed I become very fast in this work. And this indicates experience make a person effective and efficient.

One most important thing I would like to mention is that the working environment of NRB Bank is really very comfortable because every one of the employees were very supportive and friendly. That is the reason which made my intern program such a memorable one and that was the reason I used feel motivated to work for the organization. Their organization culture is very good. Even once Mr. Imteaz Ahmed (Head of HRD) called me for a conversation with him. He asked me whether there is any need for improvement in his or his employees' behavior. We rarely see such courtesy in any organization. He and his overall HR team supported me in every possible way. There are 6 employees in the HR Department and each individual is responsible for a particular type of HR work. And all of their works are related with one another. I would not have understood the importance of such a working environment if I have not worked in NRB Bank Ltd. My interpersonal skill and communication skill really improved a lot and also my decision making ability. I have learned the value of punctuality. I have learned how a team works for a certain

project and makes it successful. I have learned that only promotion and increase in salary do not motivate an employee all the time. The behavior also motivates employees and the way manager praises an employee. So, the behavior is a very important tool for motivating people.

In a word, I would like to say that the overall internship experience was a memorable one and it taught me how to cope up in challenging environment, how to communicate, and also how to present.

6.0 Performance Appraisal

Performance Appraisal is a systematic and formal process of evaluating an employee's performance based on certain criteria and organizational goals that have been established previously. Performance Appraisal is also a periodic process because it is done quarterly, semiannually or annually according to the need of the organization. This formal process helps an organization to understand where a particular employee needs development. It also helps an individual employee to know what is expected from them. Performance creates a link between the supervisor and the employee through setting agreed objectives where the employee remains responsible for their performance.

6.1 Performance Appraisal of NRB Bank Limited

PA process plays a vital role in the employee evaluation process of NRB Bank Ltd. The Human Resource Department of NRB Bank Ltd is responsible for the management of PA process. Senior Officer Rohimul Hossain Shepon manages all the work of this process. Heads of each division are usually responsible for evaluating their employees. Now we will discuss the overall PA process of NRB Bank Ltd:

- I. The PA of NRB Bank Ltd is done annually. So, at the beginning of every year managers set a target for each individual employee. It helps the employees to know what is expected from them and so how they should work.
- II. As I have said earlier the evaluation is usually done by the head of divisions or branch. So, they are the rater. They observe the behavior of employees in the work.
- III. Supervisor records the behavior of each employee and stores all the information in the memory.
- IV. After the specific time or one year when it comes for final evaluation the supervisor goes in a discussion with another supervisor and rates each individual employee. This reduces the effect of biasness.
- V. Based on the results the employees get rewards such as pay increase, bonus, profit sharing etc. These rewards motivate the employees.

- VI. If any employees performs lower than expected, then NRB Bank Ltd arranges different training programs for them to develop their skills and knowledge.

Senior Officer Rohimul Hasan Shepon do all the calculations of PA. The calculations are done by using excel. He inputs all the information very carefully and to avoid error he rechecks them. This results are sent to the management and then management takes all the decision of promotion, rise in salary etc. based on the results of PA. If any employees have any questions regarding their performance evaluation they have the opportunity to ask the supervisor for explanation. Moreover, if someone is failing to perform well because he is not understanding the work then he can go for consultation with his supervisor and can ask for his support. But after even 2 years of trying the employees' performance remains the same then it becomes mandatory for the organization to dismiss him from the job. This is how PA is helping to measure employee performance and helping to take necessary steps when requires.

6.2 Objectives of PA of NRB Bank Ltd

Every Organization has some common objective behind doing performance appraisal and NRB Bank Ltd is not different in this term:

- First of all, PA provides the opportunity for managers to discuss with employee about their progress and make important decisions for the improvement of overall performance. So, performance appraisal works as a performance review.
- Secondly, PA provides the organization with information of training and development needs. It also help supervisors to understand the level and type of work an individual employee will be capable of doing in the future. By the help of PA an organization can bring maximum contribution from their employees.
- Then, it helps to determine the rewards based on the results of past performance. So, PA works as a reward review as well. Giving rewards for higher performance helps to motivate the employee and they will feel like they also a part of the organization and as a result they will give their maximum to the organization.
- Lastly, its purpose is to determine the effectiveness of other HR functions like recruitment, selection and training and development process.

6.3 Methods used for PA of NRB Bank Ltd

There are different methods for evaluating performance of employees. One single method is not used by all organizations. Because every methods has some advantages and disadvantages. So, a particular method that is suitable for one organization may not be suitable for another organization.

The methods of evaluating performance has been classified into two categories. One is traditional and another one is modern. However, this categorization has been done by Strauss and Sayles.

Traditional Methods given below:

- Ranking
- Rating
- Essay Method
- Critical Incident Method
- Confidential Report
- Graphic Scale Method

Modern Methods given below:

- Management by Objectives (MBO)
- Behaviorally Anchored Rating Scale (BARS)
- 360 degree appraisal
- Cost Accounting Method

Now, I going to discuss the methods of PA that is used by NRB Bank Ltd:

- **Rating:** Rating scale is one of the commonly used methods. The performance of employee is rated on some absolute standard and each standard is measured on a scale. NRB Bank uses this method for evaluating their employee's performance. The managers rate the employees on scale of 1-5 on different criteria. This rating is usually done on financial criteria's.

- **Ranking:** It is one of the simplest methods. Ranking means ranking the employees from best performer to worst performer based on the performance and results. NRB Bank Ltd uses this method. After getting the results of rating the managers rank their employees from best to worst performer.
- **Management by Objectives (MBO):** In this method the employees and managers sit together to set some agreed objectives. After specific time they reviews the performance and reward is given according to the results. This method increases commitment of employees towards organization.

6.4 Components of Performance Evaluation of NRB Bank Ltd

Different organizations have different criteria's and components for evaluating their employee's performance. There are three sections for evaluating an employee's performance in NRB Bank Ltd. I am going discuss all the components of this three sections below:

✚ Section-A: Business Objectives

- **Component 1: Financial /Non-Financial**
This component has a weight of 60%. Under this component the employee is provided with a target. For example, an employee has been given a target of bringing deposit of 10 Lakh TK. He is brings more than 10 Lakh his rating will be 1. First component will be calculated like this: $(1*60\%) = 0.6$.
- **Component 2: Service Excellence**
It carries a weight of 15%. In this term the Excellency of service it rated on a scale of 1 to 5. And calculated like the component 1.
- **Component 3: Control & compliance/ Risk Management**
This component has a weight of 15%. Rated on a scale of 1-5. And Calculated like the other components.
- **Component 4: Leadership Development & Knowledge Management**
How much employees have been able to develop their leadership and decision making skills are measured in this component. This component has a weight of 10%. Rated on a scale of 1-5. And Calculated like the 1 & 2 components.

Section A has all his components and total weight of 100%. All the components individual calculations are summed up. And comes to a final weighted average rating scale. Section A is the most important part in the performance evaluation. Employees are rated on their achievement on all the components.

✚ Section-B: Organizational Values

- Dynamic : How well employees can strive to change
- Integrity : Coming up with ideas through finding better ways to develop
- Global: Set international standards though empowering
- Innovative: Governing the principals of ethics and transparency
- Technology: Improved knowledge of technology

All this five components of Section-B are the values of the organization. All this components are rated on a scale of A-D.

✚ Section-C: Integrity Award Giving Indicators

On August 2018, Bangladesh Bank has formulated ‘National Integrity Award Guideline’. This is a strategy implemented by the government to give a reward to the bank employees for their contribution in this sector. The Central Bank announced that every company have to give a certificate and a prize money equivalent to one month’s salary to the recipient. Bangladesh Bank has issued the components for this and this will be evaluated by the supervisors of employees. There are total 20 components and each carries 5 marks. Some of the components are honesty, professional knowledge and experience, discipline, behavior with customer, respect for the policies of the organization, determination towards organization etc.

In conclusion, this are all the components of under which every employees performance is evaluated in NRB Bank Ltd. There are some other components which are important for promotion of an employee. Those will be discussed later.

6.5 Performance Appraisal and Promotion

Every organization has different rule in terms of promotion and promotion has a link with performance appraisal. In NRB Bank Ltd a supervisor directly cannot promote his employee, the employee have to go through a promotional interview. Whoever completes 2 years in NRB Bank are listed for promotional interview. The promotional interview is usually held by Head of HRM, Head of COO, Head of Retail, and DMD and sometimes by the MD. This interview evaluates the employee on some criteria which are actually important to understand whether the employee is suited for the next position or not. Some of the components on which the selected employees evaluated are:

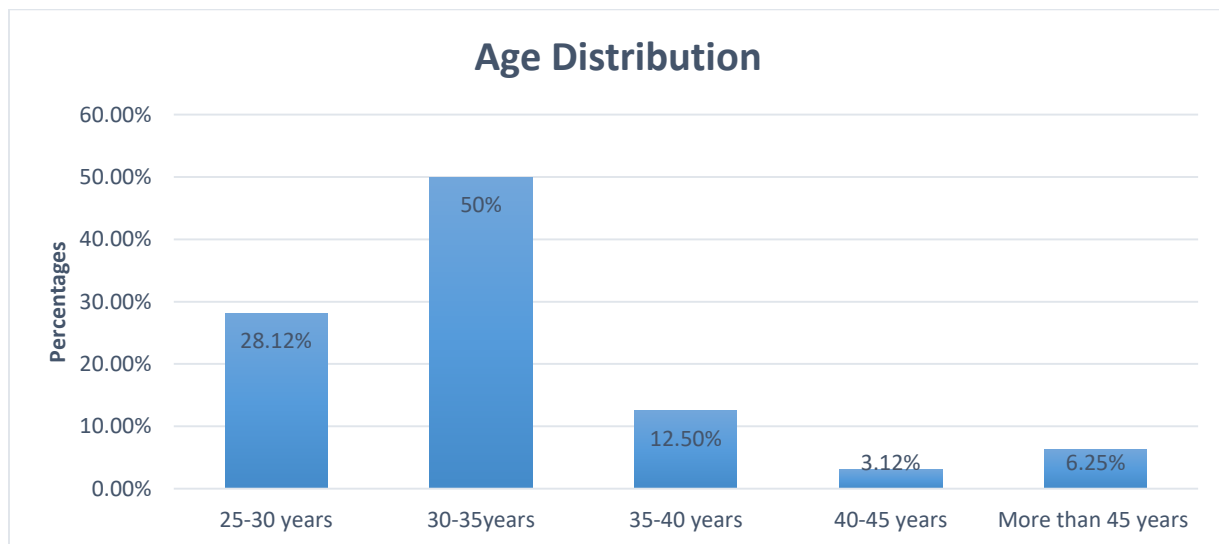
- Interpersonal skills
- Communication skills
- Knowledge of law
- Decision making skill
- Presentation skill

Each of this components are rated from 1 to 5, 1 indicated very poor and 5 indicates excellent. This contains 50% marks for the promotion and other 50% marks is on the performance appraisal which has been done by the supervisor. So, none of them is unavoidable by the employee. Performance appraisal is also important for promotion in NRB Bank. Promotion is given in this way so that the employees do not have any negative thoughts towards the performance appraisal and the organization. And this type of alignment of PA with promotion interview actually reduces the biasness and helps to choose the right person. I would like mention that only the permanent employees are called for promotional interview. Because the contractual employees are promoted directly based on their performance.

7.0 Analysis and Interpretation of the Data

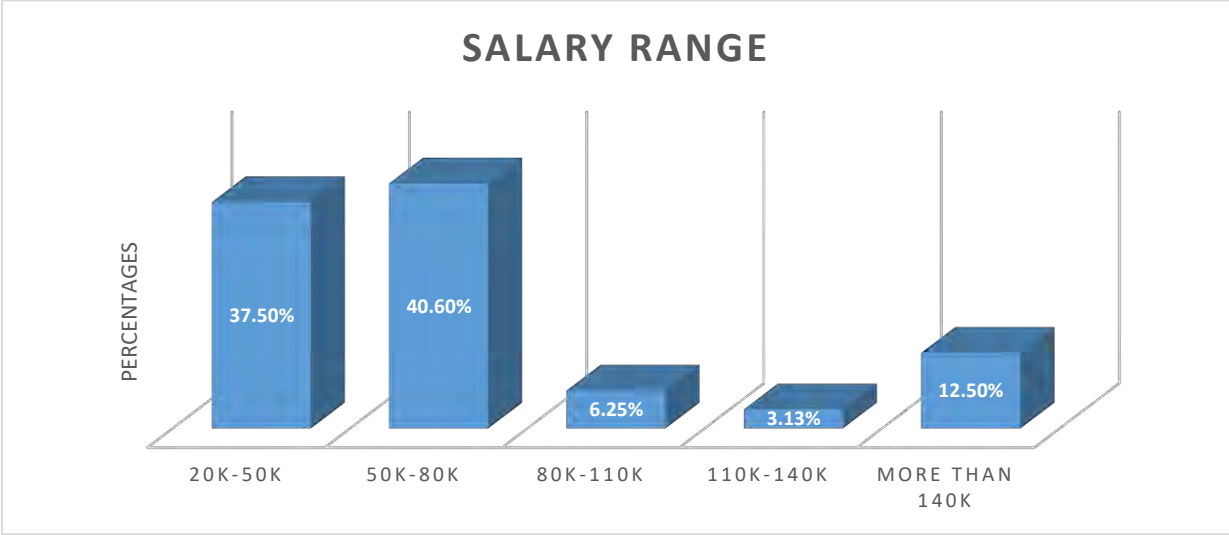
The corporate world is becoming competitive and to be in a strong position in this competitive environment, it is necessary for every organization to make sure that the employees performs to their highest level and maximum profit is made. So, Performance Appraisal is a must for every organization for the growth of the employees and also for making maximum profit. I have done a survey on the employees of NRB Bank Ltd to understand their perspective towards their PA process. There are many purposes of PA process such as motivating the employees, measuring the weakness & strengths, measuring the training & development needs etc. Through the survey I have also tried to understand how much the organization is becoming successful in terms of achieving the purposes of PA process. I have taken a survey of 32 employees of the organization. The survey questions include some demographic questions at the beginning, some likert scale questions related to the research in the middle and 2 open ended questions at the end of the survey. Now, I now going to show the analysis of the survey through graphs and also going to interpret all of them.

The below bar chart shows the age distribution of respondents:



Interpretation: The above bar chart shows 28% employees were of 25-30years, 50% respondents were of 35-40 years, and 3.12% were of 40-45years of age.

Below chart shows the salary range:



Interpretation: This chart shows that 40% employee’s salary was from 50k-80k, then the second highest response is in 20k-50k with a percentage of 37.50%. Only a few respondents had salary more than 140k and the percentage is 12.50%.

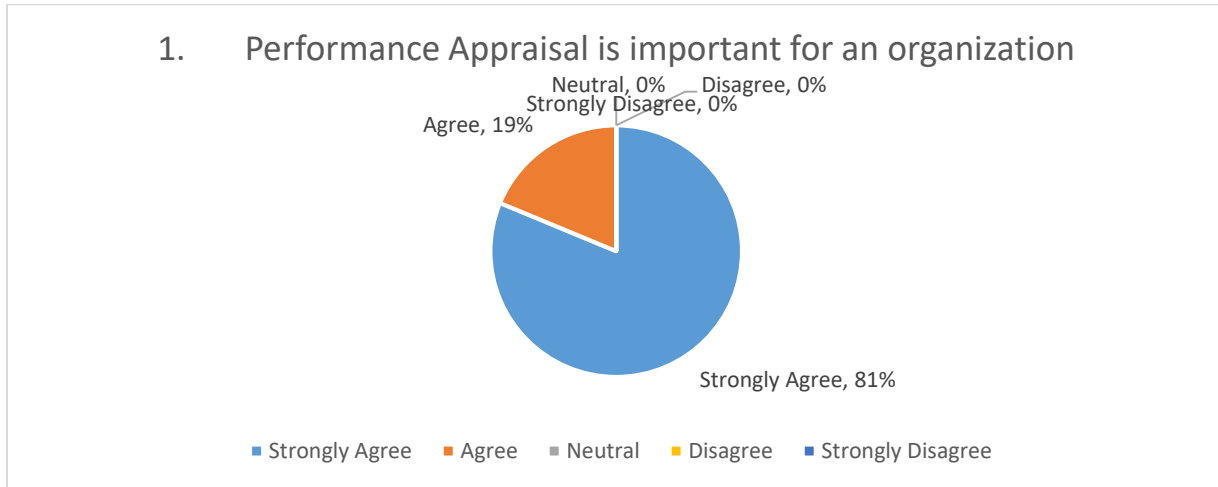
Below chart shows the job positions of respondents:



Interpretation: From the respondents about 53.13% employees are from entry level position. 37.50% is from mid-level and other 9.38% from top-level.

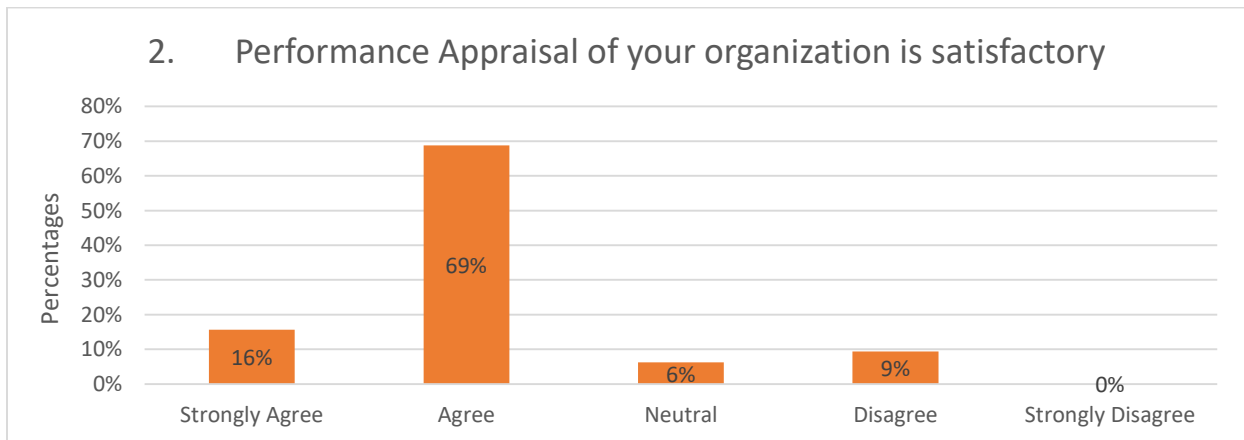
I have used some statements and asked them to rate those statements from strongly agree to strongly disagree.

1. Performance Appraisal is important for an organization:



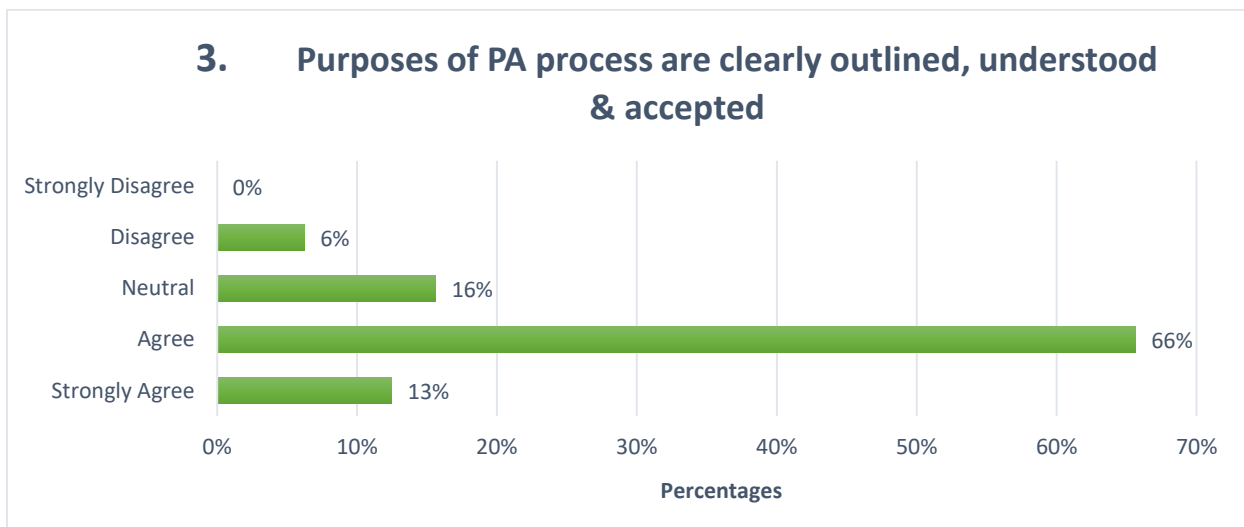
Interpretation: For understanding to what extent employees are taking the PA process seriously, I have asked them to rate that statement. And 81% strongly agreed and 19% agreed with this statement. So, According to every employee the performance appraisal is important. PA process is important because it helps to understand the gap in their performance and gives an opportunity to improve their performance and it also motivates them as they gets rewards through higher performance.

2. Performance Appraisal of your organization is satisfactory



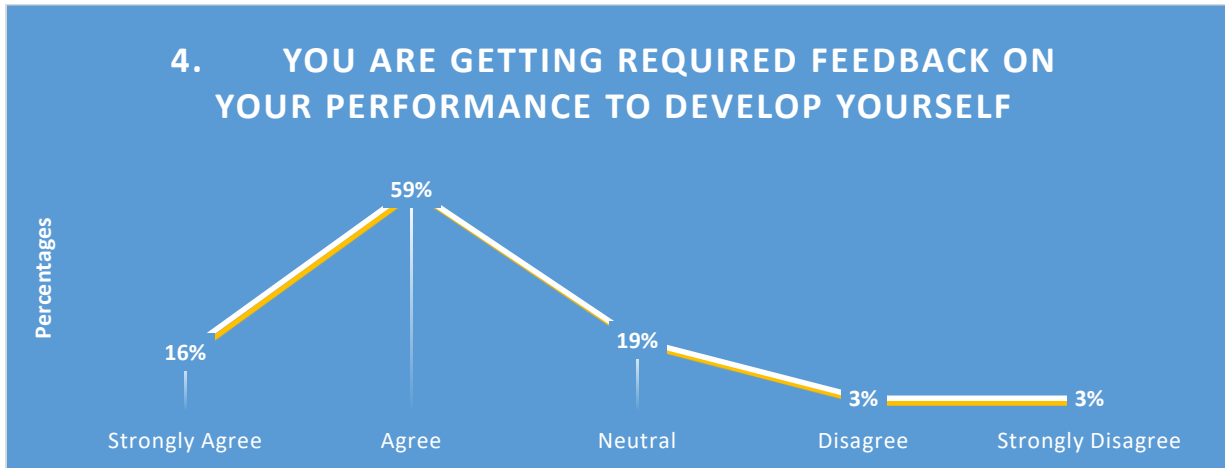
Interpretation: Most of the employees indicated that they are satisfied with the PA process of NRB Bank Ltd. Only 9% employees disagreed with the statement. That statement helped to understand how positively the employees are taking the PA Process of their organization. It has link with the effectiveness of PA process. Because employees dissatisfaction with PA process may result in lower performance which will lead to lower productivity.

3. Purposes of PA process is clearly outlined, understood and accepted



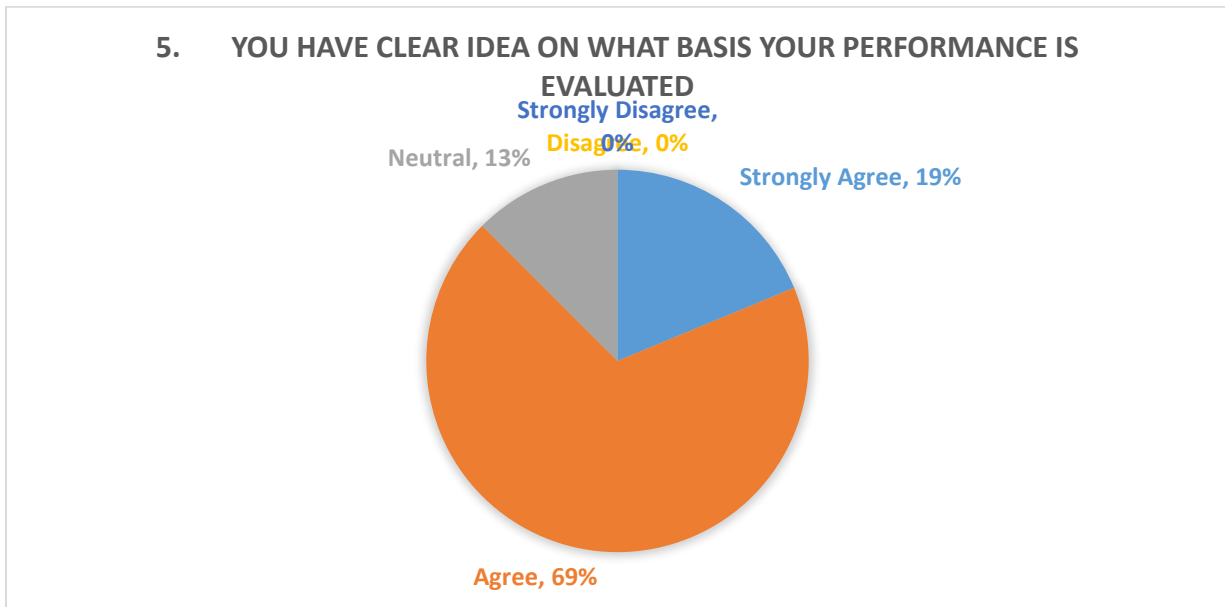
Interpretation: 66% employees agreed and 13% employees strongly agreed that purposes of performance appraisal are clearly outlined, understood & accepted. This higher percentage indicates that they have a clear knowledge about the goals, the things that will be done, the behaviors are expected of them. 16% employees rated neutral and 6% disagreed with the statement. So, this is an issue because total 22% is not a negligible number. So, NRB Bank Needs to look into that issue and they should try to reduce that percentage to make sure everyone has clear idea about PA through taking different steps.

4. You are getting required feedback on your performance to develop yourself



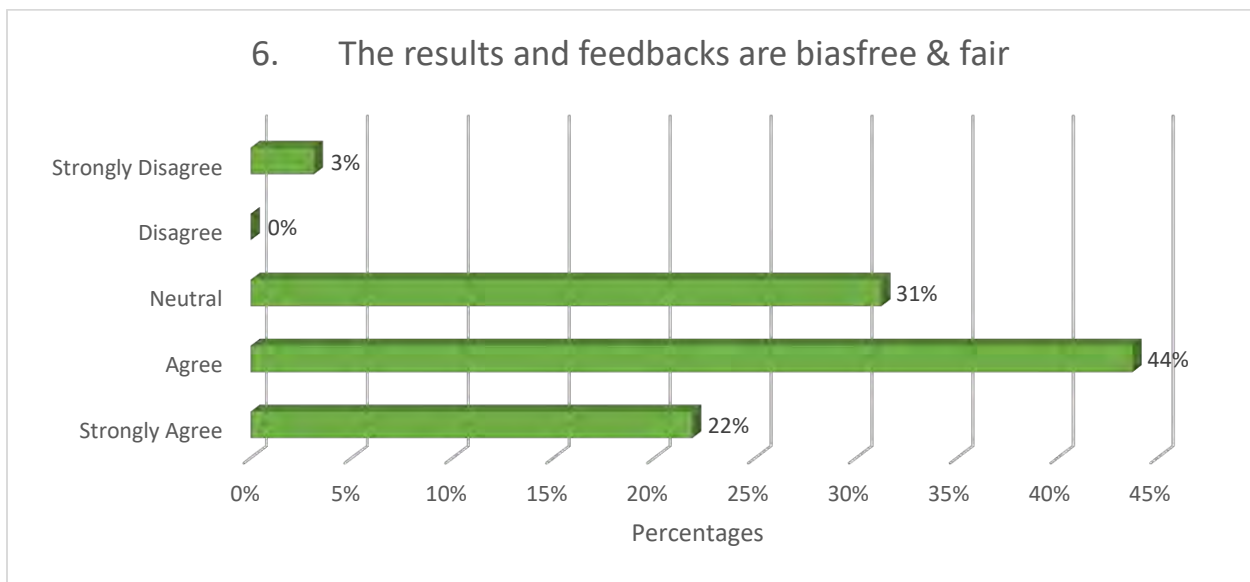
Interpretation: 59% employees agreed and 16% strongly agreed that they are getting required feedback on their performance to develop themselves. Total 6% employees disagreed with that statement. Feedback is an important part of performance appraisal process. When a supervisor gives feedback to the employees, they get to know in which area they need improvement. The employers of NRB Bank gives feedback for individual employee whenever it is needed through meeting.

5. You have clear idea on what basis your performance is evaluated



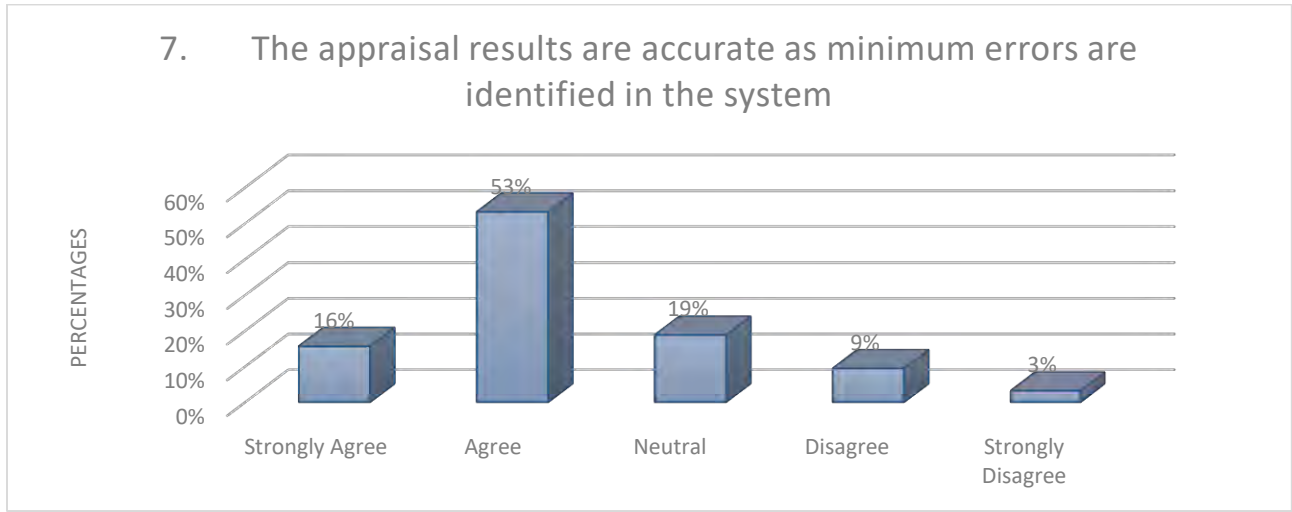
Interpretation: 19% of the respondents strongly agreed and 69% of the respondents agreed that they have clear idea about the criteria on which their performance is evaluated. Usually, in NRB Bank the employee’s performance is evaluated on some financial & non-financial term. At the beginning of the work they are given a target which is financial and the expected behavior is explained which is the non-financial term. They have a clear knowledge about all this criteria.

6. The results and feedbacks are biasfree & fair



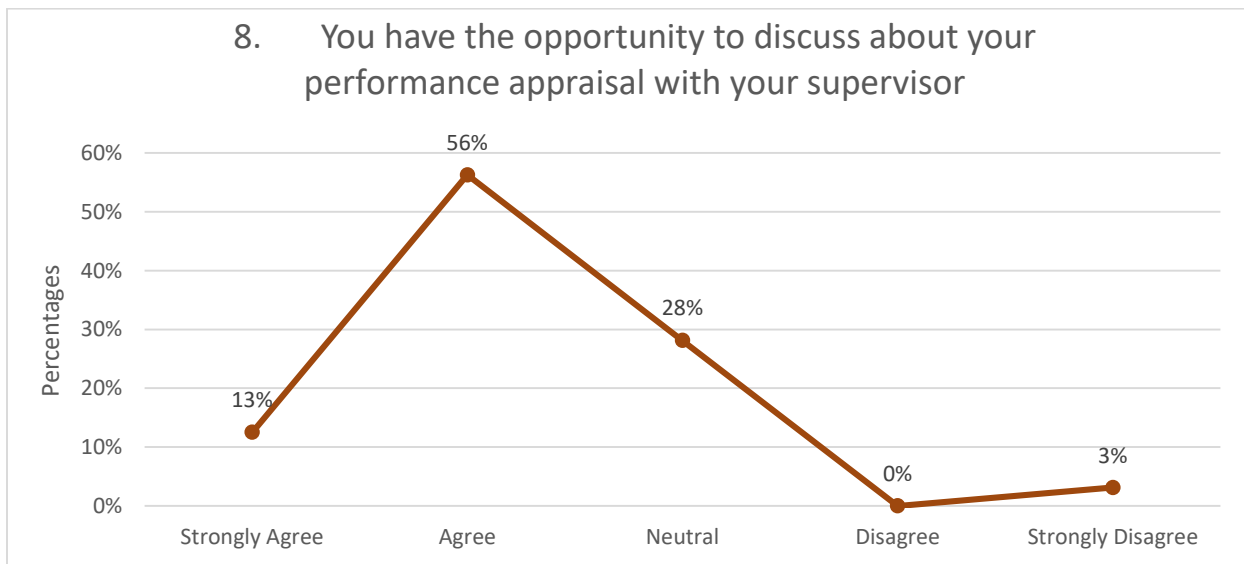
Interpretation: More than half of the respondents thinks that the PA process of NRB Bank Ltd is biasfree & fair. It means the PA process has a positive vibe on the mind of employees which is very important for any organization. This is happening because in terms of promotion NRB Bank Ltd judges an employee’s performance not only from one supervisors view but also from others. 50% marks are on the hand of employees own supervisor and other 50% is on the other supervisors hand. So, there is less room for biasness.

7. The appraisal results are accurate as minimum errors are identified in the system



Interpretation: To make a PA process effective it needs to be accurate. 16% respondents strongly agreed and 53% employees agreed that the results of appraisal is accurate. As, the employees has the opportunity to question about their evaluation, the ratings given by the supervisor is calculated very carefully by the responsible person.

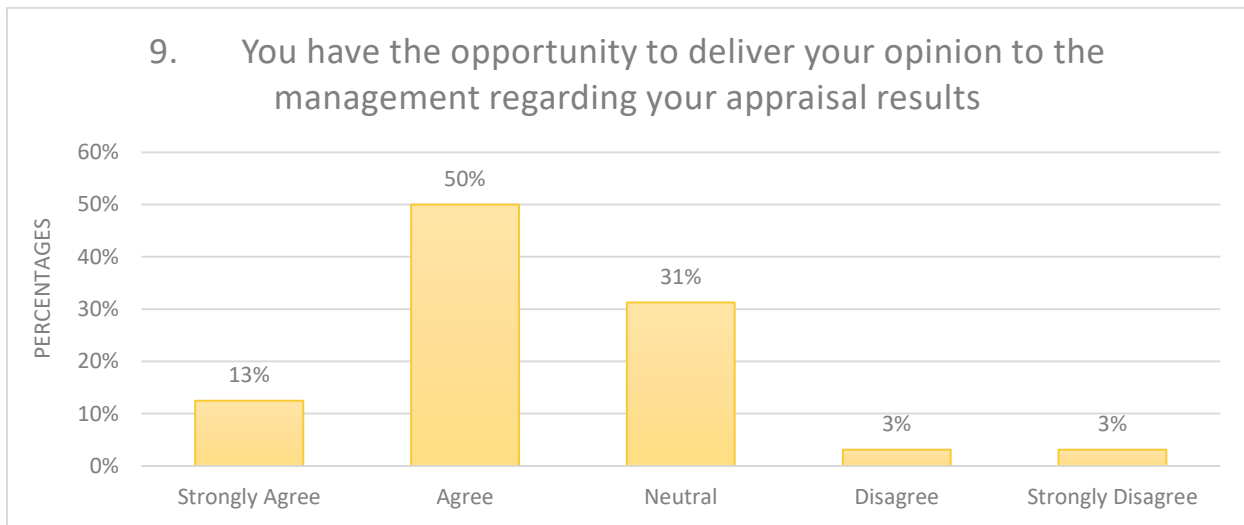
8. You have the opportunity to discuss about your performance appraisal with your supervisor



Interpretation: Majority of the employees indicated that they have the opportunity to discuss about their performance appraisal with their supervisor. Employee and supervisor sit face to face

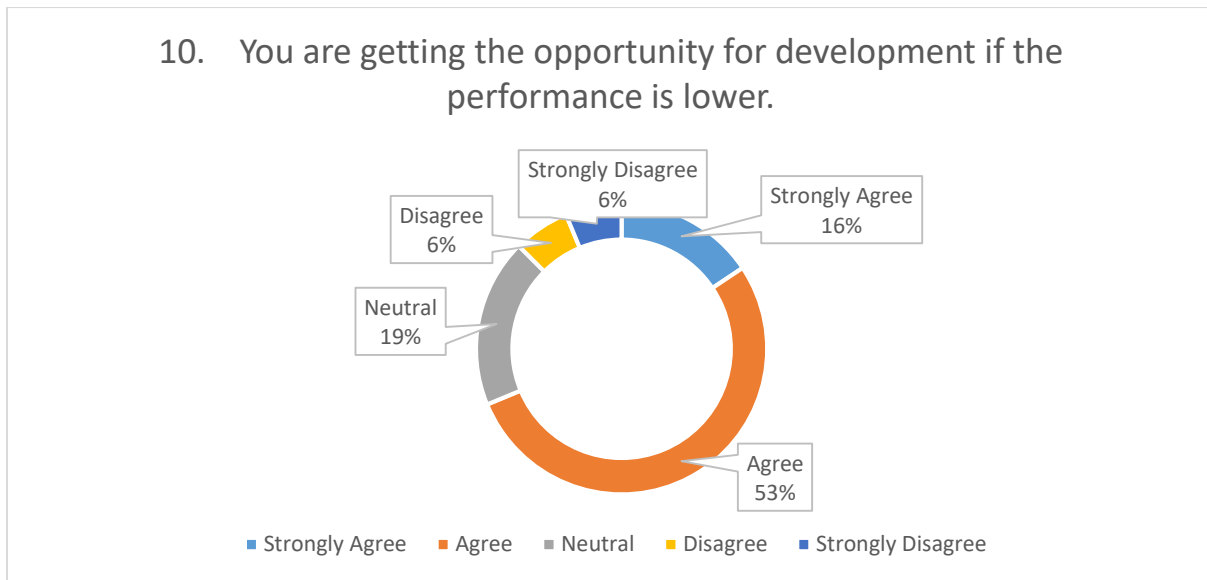
discusses where the employee needs improvement and where he/she is doing well. The supervisor also helps the employee by giving him/her directions about how he/she can improve his/her performance. If the employees have any queries regarding the evaluation they have the opportunity to ask for explanation from the supervisor.

9. You have the opportunity to deliver your opinion to the management regarding your appraisal results



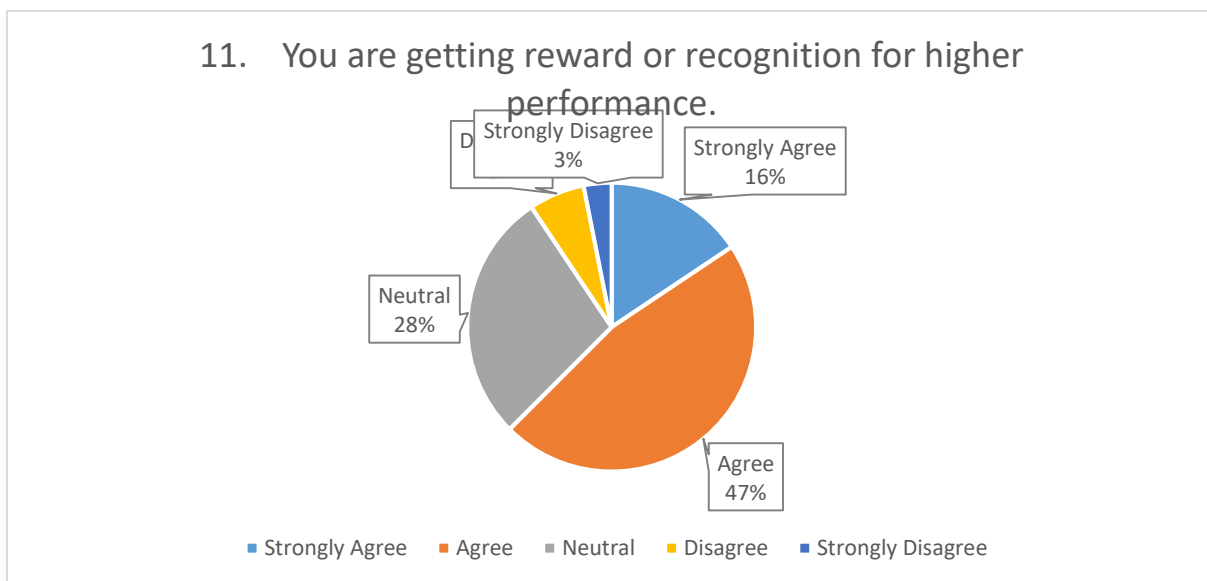
Interpretation: About 65% respondents agreed they have the opportunity to deliver their opinion to the management regarding their performance appraisal result. This positive result came out because each and every employees have the authority to express their opinion to the management regarding their performance appraisal, if they feels like the result is not acceptable. The management of the bank looks into the issue immediately and gives an explanation to him/her.

10. You are getting the opportunity for development if the performance is lower



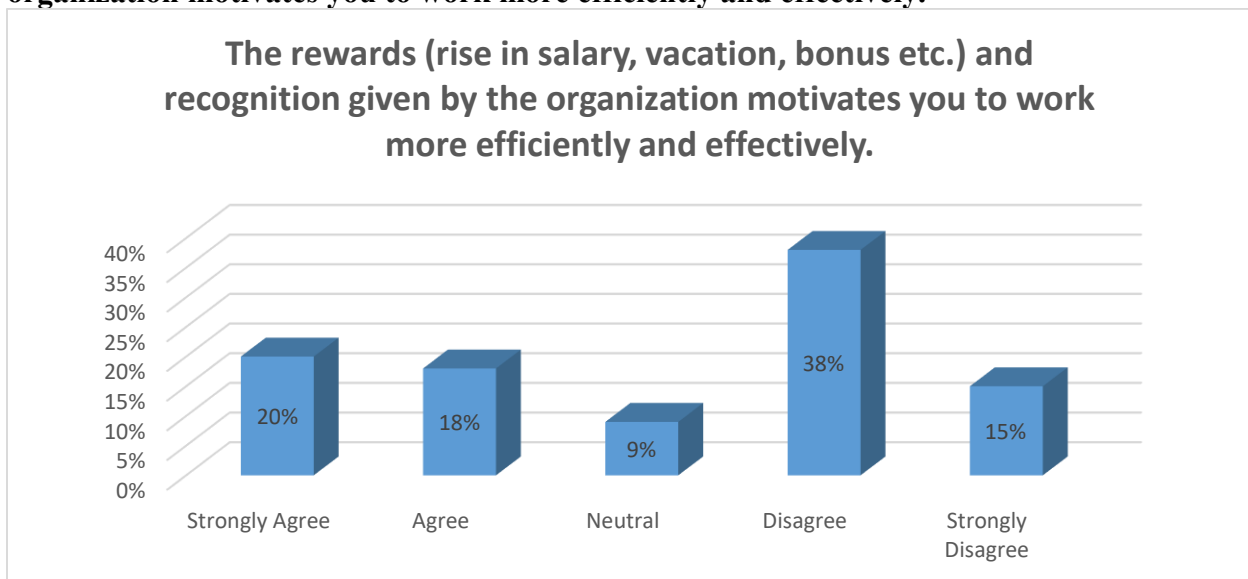
Interpretation: 16% of the employees strongly agreed and 53% of the employees agreed that they are getting the chance for development if the performance is lower. Every year NRB Bank Ltd arranges training programs for their employees. And the organization arrange training programs with their own funding. Not only the employees with lower performance gets the opportunity to perform in the training but also the employees who wants to get more knowledge and experience also joins the program.

11. You are getting reward or recognition for higher performance.



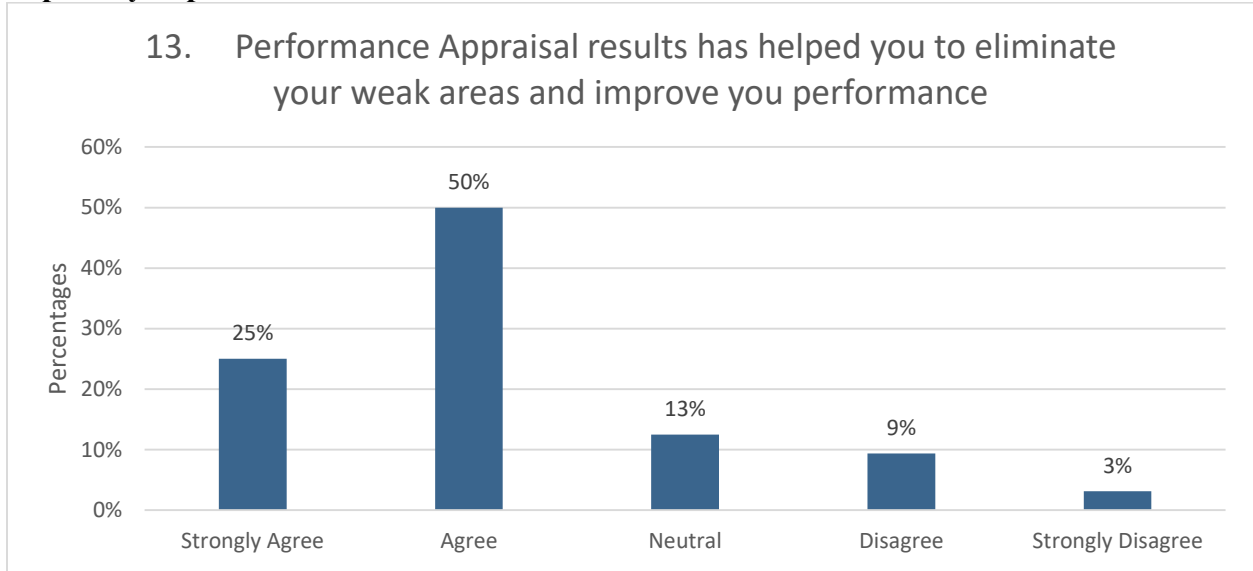
Interpretation: 47% agreed and 16% strongly agreed with statement. About 10% of the employees disagreed and 28% of the employees indicated neutral. Though the percentage for agreement is higher than disagreement. It is an issue that needs to be brought under concern. Because a good amount of reward and recognition is important to motivate the employees so that they continue the higher performance.

12. The rewards (rise in salary, vacation, bonus etc.) and recognition given by the organization motivates you to work more efficiently and effectively.



Interpretation: 38% of the respondents said that the rewards given by NRB Bank Ltd does not motivate them and 15% strongly disagreed with the statement. This is an alarming issue. This might have been happened because the entry level holders might have a dissatisfaction with their salary as when an assistant officer gets promotion to junior officer their salary does not rise much in amount. Moreover, comparing to other organizations their benefits are not good high enough to motivate them.

13. Performance Appraisal results has helped you to eliminate your weak areas and improve you performance



Interpretation: One of the main purposes of performance appraisal is to improve employee’s performance through eliminating the weak areas. And 75% of the respondents in total agreed and strongly agreed that performance is meeting the purpose. NRB Bank Ltd provides with consultation and training to the employees when employees performance is low.

There were two more questions at the end of the survey which I have used to get suggestions for improving the performance appraisal and to know about the limitations that PA of NRB Bank Ltd has.

8.0 Key Findings

Performance Appraisal is one of the most important aspect of HRM and that is the reason every company sees it as a mandatory and important part of the organization. NRB Bank Ltd spends a lot of time in terms of designing and implementing it every year. After analyzing all the data that I have collected from primary and secondary sources I have come up with some noticeable points and I'm going to talk about all of the findings below:

- First of all, I would like to mention that NRB Bank Ltd appraises their different types of employees in different ways. Rohimul Hossan Shepon, Senior Officer of HR department said that the employees who are working in the cash collection department can be evaluated through rating with numbers but in terms of the employees of HR department whose work cannot be expressed in numbers are evaluated in a different way. For example, how efficiently and effectively an employee did a particular work.
- Mr. Jahir Shahriar (Head of Accounts) of NRB Bank Ltd. mentioned that it is easy for them to evaluate employee on financial components but it is difficult to evaluate employees on non-financial terms. That is one of the limitations of their PA process.
- The supervisors do not keep any written record of the employee's performance which is a problem because when the final evaluations time comes the supervisor cannot remember all the information about the employee's performance. This happens because there are so many employees so it is not possible to remember every single thing of the employee's performance and behavior.
- 100% of the employees thinks that the performance appraisal is important which indicates performance appraisal has huge influence on the employee's performance. And it is a good indicator because the more seriously employee's will take the appraisal process the more effective their performance will be. And from the analysis we can also see that most the employees are satisfied with the PA of NRB Bank Ltd. This is important to keep employees satisfied with the PA so that their productivity increases.
- Research shows that the more than 75% of the employees have a clear understanding of the performance appraisal and other almost 25% did not have clear understanding. But organizations needs to make sure that every employee do have a clear knowledge on that.

- From the analysis we can also see that the employee's majority of the respondents indicated they have a clear knowledge on what basis their performance is evaluated. Clear knowledge about performance appraisal is mainly important for the top level employees because they responsible for performance evaluation. In my survey, there were 3 top level employees and every one of them agreed that they have a clear knowledge on what criteria they are evaluating the employees.
- There is one important issue that have raised when after the calculations of the survey that the employees do not feel motivated to work more effectively even after giving rewards. Motivating employees is one the purposes of performance appraisal. Performance appraisal would not be effective without it.
- Otherwise the analysis shows that more than 70% of the employees agreed that they are getting required feedback. With the help of the results of PA appraisal they are becoming capable to eliminate their weak areas in their performance. Even they are getting training and developmental opportunities according to the need of the employees.

In conclusion, it seems after the analysis that the performance appraisal process meeting most of the objectives of PA of NRB Bank Ltd. Employees are satisfied and the objectives are met by PA which indicates that NRB Bank's performance appraisal is effective enough.

9.0 Recommendations

NRB Bank Ltd is not an only a new bank, it is also a new type of bank. For a new company it is challenging to hire and retain the best employees in the organization because wherever they gets a better opportunity they will go there. That is why it is important for the organization to keep the keep employees happy and satisfied with the overall organization. Performance is a crucial part of the organization and to understand the employee positivity with the performance appraisal of NRB Bank I have conducted a survey. Because employees perceptions towards performance appraisal has a link with its effectiveness.

- The rater or the supervisor who is evaluating should write down the performance information of every employee in a diary on a weekly basis. It will help the supervisor to remember important incidents when employee performed well or the overall performance of the employee throughout the evaluation time. Because it might happen that the rater may forget important information about the performance while rating if he does not write them.
- Weekly feedback should be given to the employees so that they can keep track of their performance and they get an opportunity for improvement as soon as possible. Performance Appraisal will be much more effective if the supervisor gives feedback whenever it is required and if it is necessary to give feedback immediately he should not wait for the specific time.
- The raters who rate the employees should be given training about performance appraisal. It will help the raters to reduce the errors. They should be given clear idea about the PA.
- Peer review system needs to be introduced in all the departments or divisions, one colleague will rate another colleague. Usually reviews done by only managers is not that effective as it is done on one point of view, where in peer review the evaluation is done from multiple views. And as their colleagues always works with them and in front of them, they know more about their colleague's strength and weaknesses. And as a result the employees will be much more productive and cooperative.
- The organization can also introduce the 360 degree method for performance evaluation where the evaluation will be done by five categories of people, supervisor, peer, self, subordinate and customer. It improves the credibility and accuracy of performance appraisal.

- The organization needs to improve the benefits package of their organization and they should also try to give enough rewards so that employees stay in the organization and do not think of going to any other organization. Improving benefit package and increasing the salary in the entry level positions will bring motivation within the employees. And they also needs to provide good amount of salary in the entry level job positions.
- In the suggestions box, the respondents said that the PA system of NRB Bank Ltd totally depends on numbers which it should not be. It should be a combinations of both numbers and judgments. That means they wants a PA system that will be based on quantitative and qualitative information.
- The management of the organization needs to introduce a rating system where the employees will rate their supervisors in terms of behavior and other features. So, employees want a system where they can evaluate their supervisors.

10.0 Conclusion

The importance of performance appraisal for any organization is undeniable. Performance appraisal has many variables on which the effectiveness of PA depends on. Improving employee's performance through finding out the gap and providing training, motivating the employees through rewards and recognition, giving frequent feedback are the main objectives on which the effectiveness of PA process depends. An effective performance appraisal not only helps in terms of achieving organizational goals but it also keeps the employees happy their performance evaluation. Employees treasure such performance appraisal and tries to give their best for the organization.

NRB Bank Ltd a new bank and as a new bank performance appraisal is much more important for them. The study based on the evaluation of performance appraisal of NRB Bank Ltd is a research to find out whether the organizations performance appraisal is effective enough. Through analysis we can conclude that overall the performance is effective but there is need to change in the rewards system as it is not effective enough to motivate the employees. Motivating employees is one of the main features of effective PA. The study also reveals that the performance appraisal is effective because the employees are getting required feedback, there seems no biasness, there is less chances of error. Moreover, the study showed that employees taking the PA seriously, they have the opportunity to discuss about their performance evaluation as well. The study has low generalizability because small sample size. So, for much better result the future researchers should do their study on more diverse and large sample.

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Appendix

Employees Opinion on the Performance Appraisal Process of NRB Bank

1. What is your age?

- a) 25-30 years
- b) 30-35 years
- c) 35-40 years
- d) 40-45 years
- e) More than 45 years

2) What is your salary amount?

- a) 20-50k
- b) 50-80k
- c) 80k- 110k
- d) 110k-140k
- e) More than 140k

3) What is your job position?

- a) Top level (VP-MD)
- b) Mid-Level (PO-SAVP)
- c) Entry Level (AO-SO)

Please, rate your level of agreement with the following statements:

| | <i>Strongly disagree</i> | <i>Disagree</i> | <i>Neutral</i> | <i>Agree</i> | <i>Strongly Agree</i> |
|---|--------------------------|-----------------|----------------|--------------|-----------------------|
| 1. Performance Appraisal is important for an organization | | | | | |
| 2. Performance Appraisal of your organization is satisfactory | | | | | |
| 3. Purposes of PA process are clearly outlined, understood & accepted | | | | | |
| 4. You are getting required feedback on your performance to develop yourself | | | | | |
| 5. You have clear idea on what basis your performance is evaluated | | | | | |
| 6. The results and feedbacks are biasfree & fair | | | | | |
| 7. The appraisal results are accurate as minimum errors are identified in the system | | | | | |
| 8. You have the opportunity to discuss about you performance appraisal with your supervisor | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| 9. You have the opportunity to deliver your opinion to the management regarding you appraisal results | | | | | |
| 10. You are getting the opportunity for development if the performance is lower. | | | | | |
| 11. You are getting enough reward or recognition for higher performance. | | | | | |
| 12. The rewards (rise in salary, promotion, bonus etc.) given by the organization motivates you to work more efficiently and effectively. | | | | | |
| 13. Performance Appraisal results has helped you to eliminate your weak areas and improve you performance | | | | | |

14) Do you think the PA process has some limitations? Mention some to overcome the limitations.

15) Do you think there is a need for change in the PA process in terms of rating, rewards, frequency of feedback, criteria etc.?
