Chapter 04 DATA ANALYSIS AND INTERPRETATION

4.0 Overview of the Chapter

The data after collection has to be processed and analysed in accordance with the outline laid down for the purpose at the time of developing the research plan. The term analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data-groups. Thus in the process of analysis, relationships or differences supporting or conflicting with hypothesis should be subjected to statistical tests of significance to determine with what validity data can be said to indicate any conclusions (Kothari, 2004).

This chapter is divided into three sections. Section I begins with an understanding of statistics in research, and a discussion on the relevance of various statistical procedures used in the present study. The data is analysed using Mean, Standard Deviation, Coefficient of Variation and Karl Pearson’s Coefficient of Correlation. Section II consist of observations on the experience surveys conducted with HR Heads on the existing Performance Management Practices followed in companies studied from the service industry. Section III describes the demographic variables and covers descriptive statistics on Employee Engagement, and Performance Management using mean, standard deviation and coefficient of correlation. Section IV deals with the detailed analysis and interpretation using Coefficient of Correlation to understand the significance of the relationship between Employee Engagement, and Performance Management System in the companies studied from the three industries.
4.1 Statistics in Research

The role of statistics in research is to function as a tool in designing research, analysing its data and drawing conclusions therefrom. There are two major areas of analysis i.e Descriptive analysis and Inferential analysis. Descriptive analysis is largely the study of distributions of one or more variables. This study provides us with profiles of companies, work groups, persons and other subjects on any of a multitude of characteristics such as size, composition, efficiency, preferences, etc. This sort of analysis may be in respect of one variable (described as unidimensional analysis), or in respect of two variables (described as bivariate analysis) or in respect of more than two variables (described as multivariate analysis). Correlation analysis studies the joint variation of two or more variables for determining the amount of relationship between two or more variables. Causal analysis is concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables. This analysis can be termed as regression analysis.

Descriptive statistics concern the development of certain indices from the raw data, whereas inferential statistics concern with the process of generalisation. Inferential Statistics is also known as sampling statistics and are mainly concerned with two major types of problems 1. The estimation of population parameters, 2. The testing of statistical Hypothesis.

The various statistical measures are:

1. Measures of Central Tendency
2. Measures of Dispersion
3. Measures of Relationship
4. Analysis of Variance

Each of these measures are discussed in detail below.

4.1.1 Measures of Central Tendency

These measures are so called because they show a tendency of the distribution to concentrate at certain values, usually somewhere in the centre of the distribution. These include the following:

1. Mean: also known as the arithmetic average is the most common measure of central tendency. It is obtained by adding the values of the elements and dividing by the number of elements. Mean is unique because every data set has one and only one mean.

2. Median: is the value of the middle item of a series when it is arranged in ascending or descending order of magnitude. It divides the series into two equal parts. The values of elements in one part are less than the value of the median and in the other part are more than it.

3. Mode: is the most common value, the value which occurs most frequently in a series, where two separate and distinct concentrations of frequencies occur in a frequency distribution, it is called bimodality even if two concentrations are not equal. If the same highest frequency however occurs in two adjacent classes, the modal class consist of both classes together, where the computation of the mode is based on the class interval of the combined modal class.

For the purpose of this study Mean is used as the measure of central tendency.
4.1.2 Measures of Dispersion

Measures of Dispersion gives us, in conjunction with an average, a description of the structure of the distribution and the role of the individual elements in it. Some of the important measures of Dispersion are as follows:

1. Range: as a measure of dispersion represents a difference between the values of extreme elements i.e the largest and the smallest elements of the data under review.

2. Mean Deviation: is the average of difference of the values of elements from some average of the series. In calculating deviations the minus sign of the deviations are ignored while taking their totals for obtaining the mean deviation.

3. Standard Deviation: is the most important measure of dispersion. It is a measure of dispersion for interval and ratio scaled data and offers an index of the spread of a distribution or the variability in the data. It is found by taking the difference of each item in the series from the arithmetic mean, squaring this difference, summing all the squared differences, dividing by the number of elements, and then extracting the square root. A large standard deviation means the elements are widely scattered. One very important characteristic of standard deviation which considerably enhances its utility in statistical work is that one can easily compute the standard deviation of the combined group directly from the standard deviations of the constituent sub-groups.

4. Quartile Deviation: this is the average of the inter-quartile range. It is an absolute measure of dispersion. The inter-quartile range measures the range of the middle fifty percent of the values. The most important feature of the inter-quartile range is that it is not affected by extremes of the lower and higher values.
5. Coefficient of Variation: when the standard deviation is divided with the arithmetic average of the series, the resulting quantity is known as Coefficient of Standard Deviation which happens to be a relative measure and is often used for comparing with similar measures of other series. When this Coefficient of Standard Deviation is multiplied by 100, the resulting figure is known as Coefficient of Variation.

For the purpose of this study Standard Deviation and Coefficient of Variation is used as a Measure of Dispersion.

4.1.3 Measures of Relationship

If the data is available on two variables i.e. for every measurement of the variable X, there is a corresponding value of the second variable Y, the resulting pairs of values are called a bivariate distribution. When such a situation exists it is required to find out:

(a) whether there exists any correlation or association between the two variables and

(b) Whether one of the two variables is the cause and the other the effect.

The first question is answered by the use of coefficient of correlation and association techniques and the second question by the technique of regression.

1. Karl Pearson’s Co-efficient of Correlation, also known as simple linear correlation or the product moment method is the most widely used method of discovering the extent of correspondence of movement in the paired values of any two series. The coefficient assumes the following:

   a. That there is a linear relationship between the two variables.
b. That the two variables are causally related which means that one of the variables is independent and the other is dependent and

c. A large number of independent causes are operating in both variables so as to produce a normal distribution.

2. Partial Correlation: A partial coefficient of correlation measures the relationship between any two variables, when all the other variables connected with those two are kept constant.

3. Charles Spearman Coefficient of Correlation: when the variables under study are incapable of quantitative measurements than ranks are assigned. Rank Correlation is the technique of finding the degree of correlation in the cases of ordinal data. The main objective here is to determine the extent of which two sets of rankings are similar or dissimilar. In rank correlation method observations can be ranked in ascending or descending order. However the same rule of ranking should be used for both variables. Also if two or more observations have the same value we assign the mean rank.

4. Chi-Square Test ($X^2$): chi square test is a non-parametric test. Non-parametric test are used when normality of distributions cannot be assumed as in nominal or ordinal data. It is based on the comparison of the observed values in the table with what might be expected if the two distributions were entirely independent.

5. Regression: Regression analysis is a statistical tool for the investigation of relationships between variables. Usually, the investigator seeks to ascertain the causal effect of one variable upon another—the effect of a price increase upon demand, for example, or the effect of changes in the money supply upon the
inflation rate. To explore such issues, the investigator assembles data on the underlying variables of interest and employs regression to estimate the quantitative effect of the causal variables upon the variable that they influence. The investigator also typically assesses the “statistical significance” of the estimated relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship.

6. Multiple regression analysis: is adopted when the researcher has one dependent variable which is presumed to be a function of two or more independent variables. The objective of this analysis is to make a prediction about the dependent variable based on its covariance with all the concerned independent variables.

For the purpose of this study Karl Pearson’s Coefficient of Correlation is used to study the nature of relationship between Performance Management Systems and Employee Engagement where Performance Management System is an Independent Variable and Employee Engagement is a Dependent Variable.

4.2. Experience Survey

Experience survey means the survey of people who have had practical experience with the problem to be studied. The object of survey is to obtain insight into the relationship between variables and new ideas relating to the research problem. For such a survey people who are competent and can contribute new ideas may be carefully selected as respondents to ensure a representation of different types of experience. The respondents so selected may then be interviewed by the investigator. The researcher must prepare an interview schedule for the systematic questioning of informants. But the interview must ensure flexibility in the sense that respondents
should be allowed to raise questions and issues which the investigator has not previously considered.

Thus an experience survey may enable the researcher to define the problem more concisely and help in the formulation of the research hypothesis.

In the present study the researcher has made observations on the various performance management practices followed in the organisations studied. Since effective performance management system is a key to developing a performance based culture, it is important to throw some light on the current practices followed in organisations studied from the service industry. The analysis presented in this section is based on the responses on the experience survey conducted with the help of unstructured interview schedule (Appendix III) with HR heads of 4 financial services companies, 4 IT Companies and 1 Hospitality Company based in Mumbai and Pune. All the companies analysed are following Performance Management System.

4.2.1 Analysis of Performance Management System in IT Industry

The interviews held with the HR Heads and Key officials on the Performance Management System followed in the four companies studied from IT industry give a clear understanding of the processes followed and the challenges faced by these companies in effective implementation of performance management system and developing a performance based culture.

➢ Company 1

The first company studied in this sector, delivers Unified Communication Technology solutions for Customer Interaction Management (CIM). Company is a market leader in the Contact Center, BPO and Mobile VAS segments and have recently deployed
hosted Contact Center services which is a first in India. Company has its branch in Dadar which provides Mobile Value Added Services.

Other firsts to the credit include:

- Indian Products Company
- 1st SIP based contact center from Asia
- 1st Visual Call Flow Designer from India
- 1st Automated Speech Recognition (ASR) deployment for multiple Indian languages in India
- Text To Speech (TTS) solutions for leading banks and enterprises in India
- Largest SIP based dialer for NGN network in a Telco

The Service Delivery Model developed by Company is multi-pronged, providing clear advantages over other market players.

**Figure: 7 Service Delivery Model**
Over the last 12 years, Company has created a complete suite of Contact Center technology modules for Inbound, Outbound as well as blended call-centers that combine with almost magical ease. The key advantages of Company solutions are:

- Lower Total Cost of Ownership (TCO)
- On Demand Self-Service
- Transparent Service
- No IT Maintenance Costs
- Easy Integration/Standard Plugins
- Multi-Modal Communication
- Multi-Language
- Rapid Go-To-Market/Elasticity

The architecture gives the flexibility to pick-and-choose specific modules or a combination of these based on clients' business demands. Company offers Hosted Contact Centre solutions and services from their data centre in Mumbai to corporate clients.

Company has also created robust and innovative solutions for the mobile platform. Geared towards maximizing operator revenue, Company offers solutions that range from Voice SMS to Professional Services for custom applications.

- The Company brings the following advantages:
  - 12 years’ experience in CIM technology – Products and Solutions
  - Clients across 26 locations in India, Sri Lanka, Bahrain, Dubai
  - Over 40,000 ports deployed in self-service applications across multiple sectors
  - Service to BFSI/Telecom/Media/Pharma/FMCG/Government
  - Thousands of agent licenses deployed in India for call centers
✓ Over 10,000 call recording ports installed
✓ Handled over 35 million calls daily across the Company Hosted service offerings for Corporate and VAS

The organisation follows a team based functional structure. There are four functional teams which handle the entire process from operations to product development and implementation.

The four teams are:

1. Product development Team
2. Applications Team/User Interaction team
3. Testing team (Quality Assurance)
4. Post sales implementation and support team
5. Operations and sales team

**Figure: 8 Organisation Chart of Company 1- IT Industry**
All the above processes are well integrated in the company. The operations team gets the purchase orders from the client which is further evaluated by the product development team to make it according to the customer requirement. When the software is developed it is sent to quality assurance team for testing the application of the product. Finally the installation and implementation team works to install the product at the clients end and a continuous feedback is taken on the product performance. The implementation team work to provide all the necessary solutions required for solving any customer queries and ensuring customer satisfaction with the product. Also company has taken maintenance contracts from the clients for providing them after sales services.

- Performance Management System

The company adopts a ranking based performance evaluation system. Weightages are assigned to various KRA’s and scores are given on a scale of 1 to 5 where 1 is for poor performance and 5 is for exceptional performance. It is completely quantitative in nature. 360 Degree appraisal is not used in the company for any level. The appraisal form consists of section on development plans for the employees which are essentially to improve job performance. Suggestions for training are provided by the superiors in the performance review meetings. The performance appraisal takes place annually. However company also follows a monthly variable tracking system to monitor the continuous achievements on targets. The information provided through these monthly reports is used at the time of annual appraisal. Incentives are given on achievement of targets upto 50% to 60%. However when target achievement is upto 85% to 90% than the employee is eligible for promotion in the form of change in designation, additional responsibilities, job rotation or location change.
• Goal Setting Process

Every employee has two sets of goals i.e individual goals and team goals. The weightage assigned to KRA’s may change based on the upgradation in targets on a half yearly or yearly basis. The individual and team goals are monitored by tech leads. Tech leads are the managerial cadre. They should also possess good interpersonal skills essential for leading teams. They are BE-IT or MCA or MBA-IT.

The monthly variable tracking system is where each employee gives self rating on the achievement of targets which is evaluated by tech leads. The weightage is assigned to targets based on their importance in the job. The monthly review meetings with the superior helps the employee in problem solving and communicating the problems faced in completion of targets. In order to encourage employees to continuously perform better there is monthly reward system based on achievement of KRA’s and the weightage assigned to each KRA. All the technical positions in the organisation are required to have knowledge on languages, databases, CSS, Reverse AJAX at the time of recruitment.

• Mentoring and Development Opportunities

Mentoring as an initiative was started in 2005 by the IT head. IT head helped employees in their technical queries and technical problems faced by them.

However there were many obstacles like time constraint because of which this initiative could not be continued for a long time. A new policy was adopted where employees could use suggestion boxes to contribute their ideas and suggestions. These were further evaluated on a timely basis for their implementation. Best ideas are recognised and published in the company monthly magazine. Company follows
informal process of mentoring. Company has a knowledge sharing portal on the intranet through which employees can read various articles on latest trends in IT and allied areas. However it is not an interactive portal. It is seen that mentors help their juniors with their work related problems however they are not very sensitive to their interpersonal problems.

The operations teams are given product training while making demo presentations with the clients and handling conference calls.

Company senior officials’ conduct in-house training on various softwares used for the business. This helps employees to upgrade their skills on a regular basis. As part of the mentoring for new employees company has a formal two day induction program.

The contents are as follows

Day One

1. Information on HR policies
2. Technical training on Companies Communication Server which is common for all employees

Day Two

1. Introduction to Manuals and Processes of the department. This includes introduction to the technology project for which employee is recruited.

Though Mentoring is not a formal process in the organisation, however employees are highly satisfied with the work environment and the HR policies on training and Development but as mentioned by the HR Head there is a scope for introducing a
formal mentoring process in the organisation and making it as a part of a leadership role.

➢ **Company 2**

The second company studied is a global provider of Information Technology and Outsourcing services. For last 11 years this company and its group company have been working with SMB companies from Pharmaceutical, Chemical, Bulk Drug, Retail, Packaging, Textile and Engineering sectors in India and UK. Incepted in Mumbai, India in 1999, the group has a team of over 120 people comprising Software, Multimedia, Marketing and Administrative professionals operating from 2 offices in India and 1 office in UK.

- **Products and Services**

Company is committed to providing the winning edge to clients by leveraging on Business-to-IT Connect, proprietary diagnostics and accelerators to extract full value from investments in the Oracle family of products. Company is the Oracle Gold Partner. As Oracle Gold Partner, company gets access to latest Oracle Solutions, methodologies, and a dedicated team of executives to address issues, if any.

Company’s rich experience spans global implementation, upgrade, rollout, application maintenance and support, Integration and consulting services. Company combines technical and industry leading practices to deliver successful business solutions and enable clients to maximize returns on their Oracle investments.

The company also has rich experience of deploying and maintaining best-of-breed solutions on the Oracle suite of packages. It offers a complete spectrum of services across technologies. Leveraging on the extensive experience in Oracle applications
and rich domain expertise, the company enable its clients to use Oracle for their business advantage.

The company offers Microsoft Dynamics NAV 2009 R2, a complete enterprise resource planning (ERP) software solution for mid-sized organisations that is fast to implement, easy to configure, and simple to use. Right from the start, simplicity has guided—and continues to guide—innovations in product design, development, implementation, and usability. Microsoft Dynamics NAV has more than 80,000 customers, over one million users worldwide, and is available in more than 40 country versions.

With Microsoft Dynamics NAV companies can implement proven industry-specific functionality, relevant to their needs—even for the most highly specialized industries and organisations. The result? A cost-effective complete ERP software solution tailored precisely to companies’ unique requirements—one that helps company better manage and improve their cash flow, increase efficiency, and impact the bottom line.

Microsoft Dynamics NAV can provide organisations’ with value that extends across their operations. It Simplifies business with a single solution that Integrate and centrally store financial, manufacturing, supply chain, sales and marketing, project management, human resources, and services information.

It Helps people accomplish more every day with a familiar, intuitive user experience that works like Microsoft software they already use and provides role tailored access to relevant information and tasks.

The Simplified access to job-specific information and tasks helps employees view work priorities and access the information they need to make informed, confident
decisions; a wide range of analytical and reporting tools can help companies gain insight into business performance.

Companies can quickly set up and customize their system to meet current business needs, knowing that they can easily adapt to changing demands by adding functionality, custom applications, and online business capabilities.

ERP Consultancy | ERP Implementations services are beneficial to companies just beginning an IT or ERP project as well as those requiring assistance during or after the implementation process. The company is familiar with all major ERP packages, and its expertise can be applied to any ERP engagement.

To effectively meet and manage clients’ needs, the company employs a highly trained staff of ERP consultants, with dozens of other experts at their disposal across the globe. The average employee in the company has over 20 years of consulting experience and is extensively trained to help companies manage successful ERP software and transformation projects. Company consultants leverage Company proprietary and technology-agnostic methodologies, tools, experience, and extensive research to make each client’s initiative a resounding success.

The key advantages of the ERP Services offered by the company include:

- Implement ERP software on-time and on-budget
- Incorporate measurable operational and business process improvements into ERP initiative
- Deep and broad industry experience in a number of verticals, including manufacturing, distribution, life sciences, electronics
- Team-based approach to ensure focused approach on clients project
• ERP success that has more to do with business process improvement and organisational change management rather than just with the software
• Access to Company proprietary research, benchmarks, and best practices
• Minimize business risk and disruption throughout the ERP implementation
• Maximize measurable business benefits after the ERP “go-live”

Performance Management System
The organisation uses Infotrack Performance Management System (IPMS) which is an extensive and comprehensive system that maintains and tracks information pertaining to the performance appraisals in the organisation.

The key features of this system are:

1. It captures information related to eligibility criteria, appraisal groups or categories, multiple appraisal cycles, Key Result Areas (KRAs), workflow driven performance appraisals process with electronic protection. The appraisal process begins with Appraisal Cycle Initiation, Definition of KRAs by the Appraiser, Self Rating by the Appraisee, Rating by the Appraisers, Overall rating and Normalization.

2. Normalization and subsequently performing detailed graphical analysis.

3. The extensive and effective reporting functions provide a snapshot of employee performance appraisal related information.

4. The system allows definition of appraisal year and multiple appraisal cycles in a year. It has provision for defining cut off dates for each phase in the appraisal cycle. The system facilitates cut off date’s definition for KRA specification, Self Ratings, Appraiser Ratings, etc.
5. The user can define the pre-requisite and eligibility criteria for appraisal process and the system subsequently can perform appraisal Initiation based on this eligibility criterion. It allows the user to setup appraisal groups and categories. The system allows mapping of existing grades or designations to appraisal groups and performs appraisal cycle initiation based on these definitions. The system also has provision for defining the appraisal roles.

Figure 9: Human Resource Management System
• Goal Setting Process

For setting goals the system has provision for defining standard KRAs. These Standard KRAs would be automatically included at the time of appraisal cycle initiation. The System also has provision for defining KRAs for specific appraisal roles. This facilitates defining of the KRAs during the appraisals process. The system allows the definition of multiple KRA templates and performance appraisals forms. The system has provision for defining different templates or forms for different roles or business units. The employees define the KRAs for each template and also associate required weightages for these KRAs defined. In goal setting the supervisor discusses how the goals support the accomplishment of the organisation's business plan, the department's objectives and so on and agree upon a measurement for each goal.
Figure 10: Weightage Assigned to KRA’s

- Mentoring and Development Opportunities

The company takes initiatives in employee development and has a systematic process of Employee Performance Development. The supervisor is entrusted with the responsibility to conduct Meetings with his employee to discuss the employee development plan. Before the meeting, the staff member reviews personal performance, documents “self-assessment” comments and gathers needed
documentation, including 360 degree feedback results, when available. The supervisor prepares for the PDP meeting by collecting data including work records, reports, and input from others familiar with the staff person’s work. Both examine how the employee is performing against all criteria, and think about areas for potential development. Further supervisor has to develop a plan for the PDP meeting which includes answers to all questions on the performance development tool with examples, documentation and so on. During the Performance Development Plan Meeting, the staff member discusses the achievements and progress he has accomplished during the quarter. The staff member identifies ways in which he would like to further develop his professional performance, including training, assignments, new challenges and so on. The supervisor discusses performance for the quarter and suggests ways in which the staff member might further develop his performance. The supervisor's gives his thoughts on the employee's selected areas of development and improvement and discuss areas of agreement and disagreement, to reach consensus. The supervisor examines job responsibilities for the coming quarter and in general agrees upon standards of performance for the key job responsibilities. On the basis of this goal setting is done for the quarter.

Assuming performance is satisfactory, establish a development plan with the staff person that helps him grow professionally in ways important to him. If performance is less than satisfactory, develop a written performance improvement plan, and schedule more frequent feedback meetings. Remind the employee of the consequences connected with continued poor performance. The supervisor and employee discuss employee feedback and constructive suggestions for the supervisor and the department. At the end of the meeting both supervisor and employee mutually sign
the performance development tool to indicate the discussion has taken place and end
the meeting in a positive and supportive manner. The supervisor expresses confidence
that the employee can accomplish the plan and that the supervisor is available for
support and assistance. A formal follow up, is taken quarterly.

The supervisor observes on a regular basis the employees commitment to the agreed
upon objectives and gives timely constructive feedback. If a performance
improvement plan was necessary, follow up is made at the designated times. Follow
up is also made with performance feedback and discussions regularly throughout the
quarter (An employee should never be surprised about the content of feedback at the
performance development meeting). The supervisor has to keep commitments relative
to the agreed upon development plan, including time needed away from the job,
payment for courses, agreed upon work assignments and so on. The supervisor also
act upon the feedback from departmental members and let staff members know what
has changed, based upon their feedback. These documents are sent to the Human
Resources office and a copy is retained of the plan for easy access and referral.
(Performance Development Plan Appendix VI).

➢ Company 3

This company studied is best described as one of the most powerful force that’s been
active in the world of infotech, ever since the advent of the digital age.

This Company delivers unmatched business value to customers through a
combination of process excellence, quality frameworks and service delivery
innovation. The Company believes in providing the appropriate end-to-end business
solutions that leverage technology.
The approach of the company is to focus on new ways of business combining IT innovation and adoption while also leveraging an organisation's current IT assets. The company works with large global corporations and new generation technology companies -to build new services and to implement prudent business and technology strategies in today's dynamic digital environment.

The Company is driven by a highly trained staff operating out of a nationwide network and practicing unique customer-centric methodologies. Together, they offer an array of value-added solutions aimed at simplifying customers’ IT systems, bettering enterprise efficiency and optimizing the total cost of ownership.

Vision

We deliver quality Products and Services with focus on integrating the same with existing technologies, providing the required automation to our customers to help them achieve their Business Objectives.

Mission

Establish the Foundation That Empowers Clients To Succeed. The Company mission is to build a reliable, secure, manageable, and flexible IT infrastructure that establishes the foundation for clients to meet their business objectives. We fulfill this mission through adherence to our core values.

Success is only measured in reaching business goals. Company’s core value is to develop an understanding of clients' business and business drivers. And then clay the technical foundation and built the success.
Without an IT strategy that is focused on business value, it is not possible for any organisation to succeed. Speed and adaptability are essential ingredients for survival. Yet, identifying and planning for changing technology must occur while supporting daily operations. The Company helps clients meet this challenge by guiding them through the entire IT life cycle - planning, readiness, implementation, and operations.

The Company focuses on providing best-of-breed services in areas of core competencies.

The Company partners with leading technology firms to provide comprehensive solutions and have developed a strong coalition of support that ensures that open lines of communication are available to provide early access to new technologies and resolve potential challenges. The strategic partnerships of the company provide access to additional tools and support, and increase the depth of expertise.

The Company partners with the top best in breed product manufactures. Its approach is to support different practice areas. Each product is carefully selected for its unique value to a solution or deployment.

The sales and technical team of the company is thoroughly trained in all major products and are able to provide value in up front architecture planning and product selection.

The services offered are focused on helping companies manage their IT infrastructure, develop and maintain applications and integrate systems and information. Customized, project-based solutions are offered, which are wholly staffed and managed by the company, or the company can also provide their consultants and project managers to supplement a client team. Companies philosophy is to utilize existing systems whenever possible to
provide cost-effective reuse, faster time-to-market and lower business risk solutions. It offers:

- **High End Computing Platforms**
- **Storage Solutions**
- **Network Security & Enterprise Management Solutions**
- **Packaged Software**

The Company is geared to provide an optimum delivery model, which consists of on site, off site and on call resources.

Company’s key focus has been to ensure that a customers need is clearly understood & the appropriate solution is architected to ensure the desired is achieved – however, in this process the details which are properly scrutinized are as follows:

1. Clients existing infrastructure is taken into consideration & it would be preferred that existing products/ applications continue to co-exist in the new environment.

2. The company ensures that the solution being recommended post detail analysis/study is clearly meeting the client requirement & there is a clear benefit from the solution [which could be measured either in clear commercial terms or it could be a clear Business benefit with a notional commercial benefit]

3. Any solution proposed should have a reasonable ‘life’ – the approach is to ensure that over the next few months, there is no reason to further invest scrapping the currently proposed investment.

4. A solution recommended is of no benefit if it is not functioning without problems/ operational frustration. Users would use a system only if it ensures that the desired ‘Performance’ is delivered.
• Performance Management System

Project managers are responsible for managing the performance of their employees. Company’s policy specifies how the three phases of performance management will be carried out. Company adopts performance management practices that are consistent with the requirements of this policy and that best fit the nature of the work performed and the mission of the organisation. At the end of the work cycle, project managers evaluate employees’ performance during the past year compared to their performance expectations. They use verifiable information collected and documented throughout the cycle to determine the extent to which actual performance has met the expectations defined in the work plan.

The evaluation is documented on a standard form defined by the Company – the “appraisal.”

The annual performance appraisal uses a 5-level rating scale for reporting overall performance. A rating at the midpoint of the scale indicates that an employee’s performance has met expectations.

Prior to discussing a completed performance appraisal (that is, an appraisal containing ratings and descriptions of actual performance) with an employee, a supervisor reviews the appraisal with the next-level manager to ensure that ratings are appropriate and consistent.

Project managers discuss the appraisals with their employees. Both supervisor and employee sign and date the completed performance appraisal indicating that the discussion has taken place.
When an employee’s performance falls below expectations at any time during the performance cycle, the supervisor shall document the performance deficiency and take actions, including (if appropriate) disciplinary action, to assure that performance expectations will be met within a reasonable period of time. The supervisor documents the performance that falls short of expectations by preparing a corrective action plan or other documentation. The documentation specifies (a) the performance problem, (b) the steps to be taken to improve performance, including the timeframe for improvement, (c) the consequences of failure to improve, and (d) a follow-up date. A corrective action plan is considered successfully completed only when the employee’s actual performance has improved to the point where expectations are being met. The companies performance management policy specifies the relationship between disciplinary policy and performance management. Performance deficiencies that occur during the performance cycle are referenced in the annual performance appraisal.

- **Goal Setting Process**

The goal setting process starts with communicating employee performance expectations. At the beginning of the companies twelve-month work cycle, project managers meet with their employees, establish expectations regarding their employees’ performance, specify how employees’ actual performance will be measured and their success determined, and impart to them an understanding of how meeting these expectations will contribute to the achievement of the Company’s mission. Performance expectations are written at the “meets expectations” level (the midpoint of the state rating scale) and are documented on a form defined by the Company – the “work plan.” (Company may designate different work-plan formats
depending on the nature of the work). Work plans are signed and dated by both the supervisor and the employee. Employees are responsible for meeting their performance expectations. Progress toward meeting expectations are measured, reported, discussed, and documented throughout the work cycle. Project managers are expected to use appropriate supervisory techniques to support employee efforts to meet or exceed their performance expectations. When expectations change during the course of the work cycle, project managers communicate these changes and modify work plans as necessary. Modifications are signed and dated by both the supervisor and the employee.

In the performance management policies, company clarifies which of the documents used for performance management purposes are confidential and which are not, as well as define what “confidential” means. Completed performance appraisals (with ratings, supporting information, and signatures and dates) are treated as confidential. Company, however, is encouraged to make openly available employees’ work plans and any information recorded during the work cycle for the purposes of clarifying performance expectations, tracking progress, or reporting on the status of the results achieved. The free availability and use of this information is integral to the ongoing management of company’s, division, or unit’s work.

How effectively employees perform depends to a great extent on how well project managers manage their performance. Thus, it is essential that Company train managers and project managers on how to manage their employees’ performance and that responsibility for coordinating the elements of the Company’s performance management system be clearly assigned.
1. Company designates a person as performance management coordinator with responsibility for coordinating the development and revision of the Company’s performance management policy and the implementation and ongoing administration of performance management within the Company.

2. The Company provides performance management training to all employees who have supervisory responsibility. Training for new project managers is completed within a timeframe set by the Company.

3. When employees move into or out of their positions, relevant performance information is communicated in a timely way.

4. Probationary employees have work plans within a certain number of days (set by the Company) of their date of employment. To remove an employee from probationary status, the supervisor provides performance documentation, in a manner specified by the Company, that the probationary employee’s performance is at minimum meeting expectations.

5. Employees in training progressions have work plans, that describes performance expectations, within a certain number of days (set by the Company) of the date of employment. The supervisor provides performance documentation that performance at minimum meets expectations before each salary increase is granted within the progression.

6. Employees whose responsibilities are changed substantially, either within their current position or by transfer (promotion, lateral transfer, or demotion), have work plans established within a certain number of days (set by the company) following the new assignment.
7. When an employee gets transferred from one division of the Company to another, the releasing division sends to the receiving division performance documentation summarizing the employee’s performance from the last appraisal up to the date of transfer. This performance documentation is provided before the employee’s first day with the receiving division. The receiving supervisor may use this performance documentation when completing the employee’s end-of-cycle appraisal.

8. When a supervisor leaves a work unit, the next-level supervisor ensures that performance documentation concerning the employees supervised by the departing supervisor is made available to the employees’ new supervisor.

1. Confidentiality of appraisals – Completed performance appraisals is retained on file by the Company for three years.

2. Properly informed personnel decisions- Company takes measures to ensure performance information is appropriately and consistently used and that personnel decisions are based on appropriate performance information.

3. Decisions involving promotions, performance-based disciplinary actions, performance-based salary increases, and reductions in force is supported by a current (completed within the past twelve months) appraisal on file.

- Mentoring and Development Opportunities

Many employees express interest in growing in their current positions or in furthering their careers. Project managers work with them to identify strengths and weaknesses and, if appropriate, to help them prepare an individual development plan. Individual development plans specify how employees can more fully apply their strengths in
their current positions, build up areas of weakness, enhance their performance in their current positions, or develop the skills and experience they will need for possible future assignments.

➢ Company 4

The organization, supplies offshore outsourcing activities to Dutch Small to Medium-sized Enterprises. Since 2002 the company offers its customers their products and services. The main two fields in which the company operates are software development and ‘Business Process Outsourcing’ (BPO). The mission of the company is to offer first-class offshore outsourcing activities to SME’s to give them the opportunity to work cheaper, more effective and more efficient. The company seeks thus to offer a quality of products and processes to their clients that is of the highest standard in offshore outsourcing. The services now being offered by the company are just a small part of what is envisioned as possible markets.

Company does not aim to be the most innovative supplier in the business. According to management, the aim is to satisfy customer demands, to answer to the customer’s requirements.

The work has to be done with the lowest cost possible, as this is the competitive advantage. This should lead to a higher level of cost-efficiency, but possibly a lower level of innovativeness in products.

Halfway through 2008, The Company has its own business unit in which at the start of the research (January 2010) nineteen people were employed. Because of the company’s vision of using a standard outsourcing model for new markets, management sees many opportunities and foresees a growth of the company in
general. Management also believes that the acquired experience as entrepreneurs will provide a solid competitive advantage on which to grow the organization.

**Table 3: Job Specification for Key Positions**

<table>
<thead>
<tr>
<th>Designation</th>
<th>Responsibilities</th>
<th>Skills needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>• Responsible for full teams performance/end product&lt;br&gt;• Planning of projects&lt;br&gt;• Supervision of roles/ability&lt;br&gt;• Resource allocation</td>
<td>• Planning ability&lt;br&gt;• People management&lt;br&gt;• Ability to evaluate subordinates&lt;br&gt;• Leadership&lt;br&gt;• Downward communication</td>
</tr>
<tr>
<td>Project coordinator</td>
<td>• Monitoring of projects&lt;br&gt;• Communication with all who are involved in the project&lt;br&gt;• Evaluation of team members</td>
<td>• Employee Management&lt;br&gt;• Leadership&lt;br&gt;• Performance evaluation ability</td>
</tr>
<tr>
<td>Technical Lead</td>
<td>• Internal counseling on technical possibilities&lt;br&gt;• Train product engineers on technical subjects where needed&lt;br&gt;• Advise on planning for technical skills&lt;br&gt;• Making designs for software&lt;br&gt;• Creating software applications&lt;br&gt;• Monitoring quality of product</td>
<td>• Having superior technical knowledge in the company&lt;br&gt;• Being able to share information&lt;br&gt;• Good internal communication&lt;br&gt;• Design on a high level of quality activities by estimation</td>
</tr>
<tr>
<td>Product Engineer</td>
<td>• Creating software applications in technical accordance to quality standards&lt;br&gt;• Plan work well do not exceed deadlines&lt;br&gt;• Co-operate to achieve the goal of the customer</td>
<td>• Good and up-to-date technical knowledge&lt;br&gt;• Planning skills to make deadlines&lt;br&gt;• Having business logic</td>
</tr>
</tbody>
</table>
| Business Analyst | • Making offers to potential customers  
• Understanding customers’ requirements  
• Checking technical possibility to answer customer demand | • Customer relationship  
• Communication skills  
• Beginner technical knowledge of possibilities  
• Having business logic, knowing what you can offer to the customer and how it can help them |

**Project Manager**

The project manager is first responsible for a team, and is only supervised by the General Managers / owners of the company. This person receives input from clients and a business analyst and sets out the steps that need to be taken in order to come to the final result. The allocation of different resources (employees, hardware, software), and also the supervision of the use of these resources are among his/her tasks. As shown in the list, skills needed are leadership, people management, ability to plan, but also the ability to evaluate subordinates.

**Project Coordinator**

The project coordinator is an additional layer that is used if needed in a project team. This is usually an addition to another designation, for example a senior product engineer can function as the project coordinator in a larger project, to assist the project manager and help guide the team members on their tasks. Though the responsibilities are less than those of a project manager, the employee who fills in this designation should possess employee management, leadership and performance evaluation skills, be it that these are not required to be as good as those of this project manager.
Technical Lead

An oracle on technical possibilities and information would be a good name to describe the technical lead. This person is someone with great experience in the technical field and has the ability to communicate and share this experience. On managerial tasks, the technical lead will usually only be used to advise on matters that cannot be judged by the project manager and/or coordinator. This way, the technical lead can spend his/her time on coaching and training of employees, but also design and make the software.

The technical lead must be able to communicate well with the employees, though there is little to no communication with clients. On the technical field, he/she must possess superior knowledge in the company.

Product Engineer (Junior, Medior, Senior)

The people who execute the programming and coding of the product on a daily basis are the product engineers or software engineers. They are divided into three groups, which are based on their level of experience and their overall performance: juniors, mediors and seniors. The product engineers are the largest group of employees in the company, and are the focus of the evaluation forms.

A product engineer is responsible for his own deadlines, though they will commonly be set by the project manager with some involvement of the product engineer him/herself. It is important that a product engineer is technically capable to code correctly, plans his work correctly and can think in a broader sense than solely his own goals.
**Business Analyst**

The designation of business analyst is meant to be a buffer between the technicians and the customers. This person is responsible for finding new markets or customers and communicates intensively with these customers. Primarily it is important that he/she can handle external communication. Because a business analyst will usually not have much technical knowledge, it is important that he/she can interact easily internally too.

In this designation, business logic is appreciated more than in the others, as it is seen as one of the main tasks of the designation. It is also possible that the task of business analyst is added to a person that is primarily a project manager or a (senior) product engineer.

- **Performance Management System**

  Evaluations of personnel in the Company are being done on a regular basis. Each year, an evaluation meeting is conducted based on a performance measurement form. In the form are questions on ‘Personal Characteristics’, ‘Drive Ratings’, a strength and weaknesses analysis, and there is space to add technical skills to the desire of the ‘principal evaluator’. On the basis of the experiences of two managers - usually one of the two owners and the technical lead - the form is filled, and the employee first gets the chance to evaluate himself. After the evaluation on these points, a new salary is agreed, which usually means that a raise is given. In the system that has been set up, grades from one to ten are given for each competency, which is then averaged for abilities and subsequently for main groups. If needed, weighted averages is used to put an emphasis on certain competencies from ability. Next to these quantitative results, qualitative data is not only included in the form of
optional comments to each competency, but also to each ability and main group as a whole. Through the interviews with the general manager and the technical architect, the competency list can be updated with the designations and standard requirements for the applicable competencies.
Table 4 Performance Measurement Standards as per designation

<table>
<thead>
<tr>
<th>Main group</th>
<th>Ability</th>
<th>Competency</th>
<th>PM</th>
<th>T</th>
<th>PEj</th>
<th>PEm</th>
<th>PE</th>
<th>PC</th>
<th>BA</th>
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<tr>
<td>Quality</td>
<td>Technical Qualities</td>
<td>Written client communication</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>7</td>
<td>8</td>
<td>8</td>
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<tr>
<td></td>
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<td>Spoken client communication</td>
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<td>9</td>
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<tr>
<td></td>
<td></td>
<td>Written internal communication</td>
<td>8</td>
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<td>6</td>
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<tr>
<td></td>
<td></td>
<td>Spoken internal communication</td>
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<td>7</td>
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<td></td>
<td></td>
<td>Clear expression of ideas and concerns</td>
<td>8</td>
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<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>7</td>
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<td></td>
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<td>Speaking and writing confidence</td>
<td>9</td>
<td>9</td>
<td>6</td>
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<td>Meeting requirements</td>
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<td>Generic Coding</td>
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<td></td>
<td>Modular development</td>
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<td>Structure and Layout of coding</td>
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<td></td>
<td></td>
<td>Coding Simplicity</td>
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<td></td>
<td>Security of Design</td>
<td>6</td>
<td>8</td>
<td>7</td>
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<td>9</td>
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<td>Applying company standards</td>
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<td>7</td>
<td>7</td>
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<tr>
<td></td>
<td></td>
<td>Applying other applicable standards</td>
<td>7</td>
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<td></td>
<td>Database Knowledge</td>
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<td>8</td>
<td>6</td>
<td>7</td>
<td>8</td>
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<td>Learning ability</td>
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<td>Out of the box thinking</td>
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<td></td>
<td>Cognitive ability</td>
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<td>Need of examples</td>
<td>8</td>
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<td>7</td>
<td>7</td>
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<td></td>
<td></td>
<td>Being open to new ideas and suggestions</td>
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<td>7</td>
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<tr>
<td>Employee Management</td>
<td>Allocation of resources</td>
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<td></td>
<td></td>
<td>Specification of tasks</td>
<td>8</td>
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<tr>
<td></td>
<td></td>
<td>Planning skills for tasks</td>
<td>8</td>
<td></td>
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<tr>
<td>Leadership</td>
<td>Downward communication</td>
<td>8</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>Delegating</td>
</tr>
</tbody>
</table>
### Internal discipline

<table>
<thead>
<tr>
<th>Discipline on internal processes</th>
<th>Making backups</th>
<th>Following internal documentation</th>
<th>Timely informing on results</th>
<th>Use of leaves and informing on leaves</th>
<th>Use of sick leaves</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7 8 7 7 7 7 7</td>
<td>7 7 8 7 7 7 7</td>
<td>7 8 6 7 7 7 7</td>
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<thead>
<tr>
<th>Sincerity</th>
<th>Committing to promises</th>
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<tbody>
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<td>7 7 7 7 7 7 7</td>
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</tbody>
</table>

- **Goal Setting Process**

The goal setting process starts with competency mapping. A list of competencies is set up for every position, to which all employees have access. This list consists of four general fields of competence, which are divided into abilities, which are in turn divided into specific competencies.

- **Mentoring and Development Opportunities**

Formal mentoring process is not yet followed in the company. The technical lead is responsible for advising employees and training them on specific areas. As part of the development of its employees company sends its employees for company sponsored selected training and certification programs for their career enhancement. The company has started its interactive E-portal called K-Zine that will focus on knowledge management and dissemination. With the help of this portal junior managers can raise their queries and seek for answers from senior employees. All employees will be given some mentors who will continuously interact with their employees through the K-Zine. However since K-Zine is a new initiative its effectiveness is yet to be established.
Conclusion

The companies studied in IT industry lay lot of emphasis on traditional performance appraisal methods like ranking and rating. One of the companies systematically follow competency mapping process where task are grouped into abilities and competencies for various abilities are well defined.

4.2.2 Analysis of Performance Management System in Financial Services Industry

➢ Company 1

The first company studied in this sector is a third largest private sector bank in India. This bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses.

The Bank has a large footprint of 1787 domestic branches (including extension counters) and 10,363 ATMs spread across 1,139 centres in the country as on 31st December 2012. The Bank also has 7 overseas branches / offices in Singapore, Hong Kong, Shanghai, Colombo, Dubai, DIFC - Dubai and Abu Dhabi.

Bank is one of the first new generation private sector banks to have begun operations in 1994. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (SUUTI) (then known as Unit Trust of India), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd.

The shareholding of Unit Trust of India was subsequently transferred to SUUTI, an entity established in 2003.
With a balance sheet size of Rs.2,85,628 crores as on 31st March 2012, Bank is ranked 9th amongst all Indian scheduled banks. Bank has achieved consistent growth and stable asset quality with a 5 year CAGR (2007-12) of 31% in Total Assets, 30% in Total Deposits, 36% in Total Advances and 45% in Net Profit.

The Bank aims to create and develop human capital to realise its vision of nurturing a mutually beneficial relationship with its employees. Employee engagement and learning, leadership development, enhancing productivity and building multiple communication platforms thus occupied centre stage in the Bank’s HR objective. The Bank continues to maintain a strong employer brand in the financial services sector especially on the campuses of the premier business schools of the country. In a major initiative, the Bank launched an Academic Interface Program (AIP) with Institutions to offer youngsters an understanding about the financial services industry. So far, the Bank has tied up with Manipal University, NIIT, IFBI and Guwahati University. The equal opportunity employer policy of the Bank contributes strongly to the brand.

- Performance Management System

The Bank uses a 5 point rating scale to evaluate the performance of employees. There are 12 core competencies identified which are used as a feedback mechanism. Such competencies include, communication, Business Acumen, Strategic Execution, Influencing, etc. The performance appraisal is done annually, however in case of role change multiple appraisals happen during a given period of time. Bank is using 360 degree feedback mainly for the developmental purpose. It is used mainly at the senior management level. The appraisal process is carried out online using Oracle software. All the departments send their performance appraisal forms duly filled in to the centralised HR. If there is any improvement in the performance suggested in the
review meeting then this improvement plan of the employee is reviewed every month for initial 3 months.

- **Goal Setting Process**
  The Goal setting for the employees is carried out in discussion with the immediate boss. Generally for the roles like sales there are centralised KRA’s given by the business departments, and there is no change in the KRA’s during the year. All non-sales positions like operations generally have their roles defined well before the beginning of the financial year.

- **Mentoring and Development Opportunities**
  Bank is not having any formal mentoring programs for the employees. However if employees have any problems they can approach their immediate boss. The company follows the policy of 6 months probation for all levels of employees.
  
  The major challenge faced by the bank is the effective implementation of the development plans for the employees. More than 50% of the employees are above 40 years of age and working with the bank from past 10 to 15 years.

- **Company 2**

  This bank was established on 20th July 1908, under the Companies Act of 1897, and with a paid up capital of Rs 10 Lacs. The bank has seen a remarkable progress over the years and is now translated into a strong, trustworthy financial body.

  It has been a wisely orchestrated growth, involving corporate wisdom, social pride and the vision of helping others grow, and growing itself in turn.
Between 1913 and 1917, as many as 87 banks failed in India. Bank survived the crisis, mainly due to its honest and prudent leadership. This financial integrity, business prudence, caution and an abiding care and concern for the hard earned savings of hard working people, were to become the central philosophy around which business decisions would be effected. This cardinal philosophy was over years of its existence, become its biggest asset. It ensured that the Bank survived the Great War years. It ensured survival during the Great Depression. Even while big names were dragged into the Stock Market scam and the Capital Market scam, the Bank continued its triumphant march along the best ethical practices.

- Performance Management System

The assessment of performance is done at three levels:

- Reporting Authority
- Reviewing Authority
- Accepting Authority

To remove the bias in appraisal reporting officers are given training. One more observation is that the bank is still working on the fixed salary model. Bank is now planning a new system of incentives linked to performance.

As a part of the talent management initiative the feedback obtained from the 360degree appraisal will be used for identifying high performing employees from the senior management levels to take up the leadership positions. The 360 feedback is obtained internally from subordinates, peers and immediate bosses.
- **Goal Setting Process**

Goal setting is done at 4 levels namely, corporate, zones, regions and branches. The branch heads communicate the targets to their officers. This process starts in Jan and is completed till June. KRA’s at officers levels are individual based. Quantitative and qualitative weights are assigned to the goals. 60% weightage is given to the KRA’s while 40% weightage is given to the competencies. Zonal objectives are expressed in more quantitative terms. The Company Followed a System of Balanced Scorecard as given in the table below:

**Table 5: Balanced Scorecard Objectives, Measures, and Targets**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures</th>
<th>Target</th>
</tr>
</thead>
</table>
| **Financial** | • Survival  
• Growth  
• Stakeholder Satisfaction  
• Revenue Development  
• Liquidity Ratio  
• ROI  
• ROE  
• Profit Margin  
• Leverage Ratio  | | 30%  
15%  
400%  
$200 000 000  
100%-250% |
| **Internal Processes** | • Increase Innovations  
• Improve Operational Capabilities  
• Improve Operational Efficiency  
• Productivity Growth  
• Growth of Banking Services  
• Credit Growth  
• Growth in Software Applications  
• Front Office Employees  | | 125%  
20%  
400%  
70%  
3% |
| **Customer** | • Customer Retention  
• Attract New Customers  
• Increase Market Share  
• Customer Satisfaction,  
• Customers’ Growth  
• Growth of Current Accounts  
• Growth of Saving Accounts  
• Growth of Safety Deposits.  | | 1.5%  
100%  
180%  
50%  
100% |
| **Learning & Growth** | • Improve Employees Capabilities  
• Improve Employee Satisfaction  
• Improve Computerized System Application  
• Employee Productivity  
• Employee Turnover  
• Growth of the Bank’s Branches  
• Employee Participation in Development Programs  
• Number of Employees Using IT in their work.  | | $10 000-$35 000  
1%-5%  
100%  
40-80 programs  
400-1400 employees |

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Mentoring and Development Opportunities

The bank is following a systematic approach for new hire mentoring. Employees in the age group of 35-40 years who have the aptitude towards mentoring are identified and training is given to them on mentoring skills. These employees are made part of the orientation process and they help the new hires in assimilating the information faster and adequately knowing the systems and processes. Mentor is not the supervisor of the employee.

The bank has started this initiative in Dec 2011 and its effectiveness is not yet measured.
Development opportunities are provided for 20 cases who are identified as consistently below average performers. There are no specific development opportunities identified for other employees who are consistently achieving their targets on time.

➢ Company 3

The bank was established on 11th November 1919 with its headquarters in the city of Bombay now known as Mumbai. The Head Office building of the Bank in Mumbai was inaugurated by Mahatma Gandhi, the Father of the nation in the year 1921, and he said on the occasion:

"We should have the ability to carry on a big bank, to manage efficiently crores of rupees in the course of our national activities. Though we have not many banks amongst us, it does not follow that we are not capable of efficiently managing crores and tens of crores of rupees."

His prescient words anticipated the growth of the bank that has taken place in the decades that followed. The Bank now operates through over 2800 branches across the country. The Bank's core values of prudent management without ignoring opportunities is reflected in the fact that the Bank has shown uninterrupted profit during all 90 years of its operations.

Bank has been playing a very proactive role in the economic growth of India and it extends credit for the requirements of different sectors of economy. Industries, exports, trading, agriculture, infrastructure and the individual segments are sectors in which the bank has deployed credit to spur economic growth and to earn from a well diversified portfolio of assets. Resources are mobilised through Current, Savings and
Term Deposits and through refinance and borrowings from abroad. The Bank has a large clientele base of over 24 million.

On the technology front the Bank has taken early initiatives and 100% of its branches are computerised.

The Bank has also introduced Core Banking Solution with connectivity between branches. 100% of the business of the Bank is under Core Banking Solution making it a leader among its peers in infusion of technology. Many innovative products are developed using the technology platform to offer an array of choices to customers, adding speed and convenience to transactions. Technology will also enable the Bank to derive substantial cost reduction while creating the requisite capacity to handle the ever increasing volume of business in a competitive environment that offers immense opportunities.

At the end of September 2011 the Bank achieved total business level of Rs.3,42,856 crore (Rupees Three Lakh Forty two thousand Eight hundred fifty six crore).

Behind all these achievements is a dedicated team of staff, which is truly cosmopolitan in its composition. Many generations of members of staff have contributed in building up the strong edifice of the Bank. The present team of over 29000 members of staff distinguishes itself with its customer centricity, willingness to learn and adherence to values enabling the bank to be recognised as a caring organisation where people enjoy their work and relationship with customers.

The Bank is in the forefront of providing assistance to customers in fulfilling their dreams. The Bank provides funds to customers through Retail Loans for their
personal needs such as home purchases, home repair, automobile purchases, pursuing education, medical care, and other consumer uses.

The process is designed to make it as convenient as possible for the customer to obtain a loan of his choice through a wide network of branches across the country. The repayment terms are user friendly and the interest rates are very competitive.

**Figure 12: Organisational Chart of Company 3-Bank**

- **Performance Management System**

The performance management system assesses the performance and competency with the fair percentage. Performance evaluation is conducted online at the bank. The appraisee first submits the online form of self-assessment in the prescribed format highlighting the employees contributions made and achievements in the past one year. There are no interactive sessions but appraisal is based on the information received through the online forms.
The HR function of the bank is decentralised with the GM HR in the regional offices while the overall maintenance and control rests with the corporate HR. The bank has undertaken an HR transformation project with the help of a HR consultant. An HR subcommittee was formulated by the Board. The HR subcommittee redesigned many HR modules and incorporated robust, transparent and purposeful systems practices and policies. The main idea of HR transformation is aligning the goals of HR as a support partners to the Business goals. In the conventional system of performance management the main focus was maintenance, control and compliance. However the new policies are based on objectivity and transparency. The bank identified certain gaps in the existing system by revisiting the best practices in the industry. Some of the gaps identified were:

- Transparency and objectivity in the performance management was lacking
- Roles were not specifically defined
- There were no interactive sessions between the appraiser and the appraise.
- Responsibility for goal achievement

The new performance management system focused on the following areas:

- Job Description: the detailed job descriptions were prepared based on the roles each individual has to perform. Competencies are identified for various roles and incorporated in the performance planning. Job description is made flexible and can be further tuned according to the organisational needs.
- In the phase 1 of implementation of the new PMS each individual officer will be having a performance planning based on the role one is handling or discharging.
- Performance evaluation will be both quantitative and qualitative.
- Media reviews serve as course corrected mechanism. Series of such reviews are documented in the form after every 6 months but no evaluation is done at this stage.
- Performance is evaluated based on Self rating and rating by the superiors.
- The rating considers the behaviours exhibited as against the competencies that were identified for the role.
- Responsibility for goal achievement, now lies with both superior and his subordinate.
- Individual contribution, Unit level contribution and team contribution are also identified.
- Deliverables are clearly assigned in the form of KRA’s and KPI and employees are clear of what they are expected to do.

The new performance management system will bring about a new change from job involvement to commitment and leading towards employee engagement. One of the challenges which the bank is facing today is how to retain the core values of the organisation. Bank is making efforts to reduce the gaps existing between the mind-set of Gen X and Gen Y.

- Goal Setting Process

Performance is measured against the workflow of the appraiser. The appraisal is conducted on a yearly basis. One important aspect which was found as a gap in the appraisal system was the employees who had scored below expectations were only communicated about their performance otherwise no communication was made to other employees.
This process was followed till March 2011. Bank uses Peoplesoft software. After March 2011, bank has aligned its procedures with the Annual Performance Appraisal Report issued by GOI.

- Mentoring and Development Opportunities

Bank has incorporated a formal mentoring program. In the first phase senior employees will undergo a well customised training model to sensitise them for the roles to be played, their acceptability and connecting them to the juniors and accepting them with open arms. The objective of such programs is to unlearn to learn the best. Managers will be assigned the role of mentors for the new employees. Mentoring at the entry level will help the new employees to settle in their roles and understand the Core values of the organisation. The feedback reports generated from the formal Mentoring programs will help in potential talent recognition.

The outcome of formal Mentoring programs will help to build a strong bonding between the senior employees and junior employees and will increase the acceptability towards the core values. However Mentoring is at the very basic planning level and yet to be implemented fully in the organization.

Developmental plans are made at the time of performance planning and training needs are identified at the time of performance evaluation. Developmental plans are made both for short term to enhance the performance in the present role and long term to increase the capability of the potential employees for achieving higher positions. Developmental aspects for achieving goals are done for short term achievement of goals and thereby changes can be made.
Company 4

This company is one of the largest financial services organisation established in the year 1994. The company is the fastest growing financial service with 5 mega group companies under it. With diligent effort, acknowledged industry leadership and experience, company has spread its trustworthy expertise all over the country with pan-India presence across more than 1784 outlets spread across 560 cities.

With a smorgasbord of services across all verticals in finance, company offers the perfect blend of financial services right from Equity Broking, Advisory Services that cover Portfolio Management Services, Mutual Fund Investments, Insurance to exceptional Depository Services.

The company believes in being technologically advanced for the tech-savvy customers – providing an integrated and innovative platform to trade online as well as offline. Besides, company also have one of the finest and most dedicated research teams with experts who have in-depth, unsurpassed knowledge of the market place.

The company is affiliated with the best in the industry – right from the NSE, BSE MCX, MCX-SX to CDSL, NSDL, ICEX and USE etc. These affiliations prove the companies worth in the market.

Vision

To be one of the most trusted and globally reputed financial distribution companies.

Values

Customer-centric approach

For the company customers come first. And their satisfaction is not just our top priority but also the driving force for us, every single day.
Transparency
Honesty is our forte. We believe in dealing on thoroughly ethical grounds, being fair and transparent with our customers.

Meritocracy
We recognize and appreciate efforts put in by our employees. And we, as a matter of fact, reward and distinguish each one of them, ceaselessly.

Solidarity
We believe in sharing a forthright and respectful relationship with our business partners and employees. We consider them both as our team associates, who work together. Succeed together.

Milestones

- 5th largest in terms of no. of offices for the year 2010-2011*. Top Equity Broking House in terms of branch expansion for 2008*.
- 4th in terms of Trading terminals for the year 2010 - 2011*.
- 6th in terms of Sub Brokers for the year 2010-2011*.
- Nominated among the Top 3 for the "Best Financial Advisor Awards 08" in the category of National Distributors – Retail instituted by CNBC-TV18 and OptiMix.
- Nominated among the Top 3 for the "Best Financial Advisor Awards 09" in the category of National Distributors – Retail instituted by CNBC-TV18 and OptiMix.
- Awarded by BSE Major Volume Driver 04-05,06-07,07-08.

Top 4 in Commodity Segment in Bloomberg UTV.

India's No. 1 Valuable Financial Advisory & Stock Broking Company - as per Business Leadership Award 2012 organized by the India Leadership Conclave and Indian Affairs Magazines.

**Services Offered**

The range of services offered by the company are:

1. Portfolio Management Services
2. Currency Derivatives
3. Distribution
4. Investment Banking
5. Equity and Derivatives
6. Depository
7. Commodity
8. Institutional Broking
9. E-Broking

**Portfolio Management Services:**

The company provides highly professional fund management services which are flexible to address varying investment preferences and deliver maximum returns to clients.
Need of Portfolio Management:
To make the right decision in the unpredictable nature of the stock market, it requires time, knowledge, experience and strong research. In the end it boils down to make the right move in the right direction at the right time. That’s where the expert comes in. The capital markets today need a constant tracking mechanism due to complexity in terms of compliances, methodologies, effects and analysis. As is the case globally, the Indian investor has also realized the advantages of seeking professional advice in order to not only manage but also augment their portfolio.

Benefit of Portfolio Management Services:

- Direct investment: In PMS, Investment in stocks is direct and shares are held in investors Demat a/c only.
- Transparency: PMS has better transparency because investor knows the stocks holdings of his portfolio. He knows when and what Fund Manager is doing with his portfolio.
- Better management: Although portfolio value is in line with market movement, the chances of outperformance are higher due to active management and greater flexibility to control the downside of portfolio value by qualified and well experienced fund manager backed by strong Research team of Analysts.
- No Limits: : PMS has no cash restrictions and can sell most of the portfolio in bad market condition

Currency Derivatives
The company has always been the forerunner in initiating any new financial product and have launched trading facilities on the Currency Derivatives Segment for our
clients at all three Exchanges namely NSE, BSE & MCX-SX. Thus, we bring to you a new trading segment which brings you Foreign Currency & Interest Rate Futures Trading. These asset classes, where the participation was earlier limited to Banks, Currency brokers, Licensed Money Changers, Corporates and Multinational Companies, are now available at your convenience.

Exchange Traded Currency Derivatives

In order to upgrade Indian Foreign Markets in line with International standards, a well developed foreign exchange derivative market place having strict governance and transparency was inevitable.

With a view to enable entities to manage risk due to volatility in the currency market, the Internal Working Group of RBI explored the advantages of introducing currency futures and submitted the Report of the Internal Working Group in April 2008, which recommended the introduction of Exchange Traded Currency Futures. The company offers you these services so that you can trade in the latest market offerings at your comfort and convenience. Presently USD / INR futures are available for trading on NSE / MCX-SX / BSE.

Exchange Traded Interest Rate Derivatives

Interest Rate Futures are contractual agreements to buy or sell underlying interest bearing instruments on a specific future date at a pre-determined price. Exchange Traded Interest Rate Futures (ETIRF) are standardized interest rate contracts traded on the exchange.
The trading in Interest Rate Futures was launched on the National Stock Exchange of India (NSE) on 31st August 2009 and will be launched shortly on MCX Stock Exchange (MCX-SX) and Bombay Stock Exchange (BSE).

Salient Features of Currency Derivatives

- Small orders can be executed up to 1 contract or 1000 USD without any additional cost.
- Complete Transparency of Quotes, Market Price and Price Discovery.
- Foreign Currency exposure not required to trade in the currency futures.
- Synchronization with International Market.
- Less Fluctuation.
- Low Margins.
- Largest Market.
- Interest Rate Futures benefit the investors in the following ways:
  - Unlike Currency Derivatives FIIs and NRIs are permitted to trade in ETIRF.
  - Provides flexibility of multiple securities deliveries for one contract.
  - Provides flexibility of timing for securities deliveries.
  - Provides flexibility between square-up and delivery settlement of position.
  - Can be traded from the existing Currency Derivative Facility.

Benefits with the company

- Daily Research Report – "Daily Forex Insight". (Three Reports in a day)
- Membership of all the stock exchanges.
- Pan India Presence.
- Regular updates of the market via SMS & Intraday technical & fundamental updates.
A Mutual Fund is a trust that pools together the savings of a number of investors who share a common financial goal. The collected money is then invested in capital market instruments such as shares, debentures and other securities. Each mutual fund has a pre-defined objective, so you can choose a fund that is more suitable to your requirements.

The income earned through these investments and the capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most appropriate investment option for the common man as it offers an opportunity to invest in a diversified and professionally managed basket of securities at a relatively low cost.

Types of Schemes
Investing in mutual funds is done through the provision of different types of investing options that are made available to the investors. To invest in mutual fund one should know the various types of mutual funds available. These are: equity funds, debt funds, balanced schemes, sector funds, gilt funds, index funds, MIPs (Monthly Income Plans), MMFs (Money Market Funds) ETFs etc. Each scheme has its own investment strategy to invest. Most of the schemes have "growth oriented" or "dividend oriented" plans, which either re-invest or pay out the dividend collected from underlying stocks.

In equity Schemes we invests in equity shares of companies which provides returns by way of capital appreciation. It involves a high risk so return may not be consistent. As it invests only in stocks, it is riskier than debt funds.

The returns will depend on the performance of the company that the fund invests in. However, on the flipside, this fund has a high return capability since equities have historically outperformed all other asset classes.
Insurance Services

The company offers both Life Insurance and general insurance services:

Life Insurance

- Traditional Insurance Solutions
- Investment Linked Plans (ULIPs)
- Guaranteed Return Plans
- Monthly Income Schemes

General Insurance

- Motor Insurance
- Health Insurance Program
- Fire Insurance
- Burglary Insurance
- Travel Insurance

Company Fixed Deposits

Company Fixed Deposits are the fixed deposits schemes offered by a company and it earns a fixed rate of return over a period of time. Such deposits are also accepted by Financial Institutions and Non-Banking Finance Companies (NBFCs). Company Deposits offer higher rate of interests than normal Fixed Deposits.

Initial Public offering (IPO)

An initial public offering (IPOs) is a public offering where shares of stock in a company are sold to public for the first time. IPOs are used by companies to raise capital.
A company selling shares is never required to reimburse money to its public investors. With IPOs the shares trade freely in the open market and money is circulated between public investors. This also has disadvantages as for IPOs the company has to provide information to public which can be used by the competitors.

**Investment Banking**

The Group is focused on providing financial & strategic business advisory services for Indian Small and Medium Enterprises (SMEs) & middle market Corporates with the primary objective of enhancing our client’s competitiveness & value.

The Customer centric & research based approach enables us to design services to meet our clients’ specific needs with high level of customization at every stage of the transaction.

The company specializes in providing advisory services towards strategic Business Advisory, Venture Capital / Private Equity Fund Raising, Debt Syndication, Strategic Investments, and Mergers & Acquisitions. Company is also engaged in advisory for domestic as well as foreign private equity / venture capital investors for deal flow generation, pre-investment due diligence, valuation, post-investment monitoring and exit strategy.

- **Performance Management System**

Performance appraisal is a yearly process in the company. Each department head submits the performance appraisal forms of their department to the HR department. The performance appraisal form is a rating scale which consists of self-rating form and rating from the immediate superior. All the employees have to undergo a probation period of 6 months in the company after joining. Reports are generated by
the HR department for the employees. The appraisal form consists of quantitative and qualitative evaluation on the KRA’s assigned to the individual employee and his/her achievement in the 12 months period. Based on the results, certain in-house training programs are organized which are usually for a short duration (one or two days).

- **Goal Setting Process**
  The targets are set on yearly basis and appraisal is conducted at the end of 12 months to understand the progress of the employee on given assignments.

- **Mentoring and Development Opportunities**
  The company does not have any formal Mentoring programs but conducts a formal orientation program for new employees where they are acquainted with the business of the company, their major clients and an introduction is given on the various financial Models adopted by the company. As a part of their KRA’s Senior Managers meet their Juniors on 2nd and 4th Saturday of Every month to review their progress and help them with their problems at workplace. To encourage a conducive learning environment company also provides training online. Every employee has to successfully complete at least one training module in a year.

4.2.3 **Analysis of Performance Management System in Hospitality Industry**

- **Company 1**
  This company is India's premier chain of luxury hotels, launched in 1975. The Hotel has become synonymous with Indian hospitality. Hotel pioneered the concept of 'Responsible Luxury' in the hospitality industry, drawing on the strengths of the group companies exemplary sustainability practices. Responsible Luxury personifies an
ethos that integrates world-class green practices with contemporary design elements to deliver the best of luxury in the greenest possible manner.

The Responsible Luxury commitment of Hotel brands blends elements of nature to deliver a unique value proposition to guests, conscious of their responsibility to be planet positive. Today, these unique interventions have made this Hotel the greenest luxury hotel chain in the world with all its ten premium luxury hotels LEED (Leadership in Energy and Environmental Design) Platinum certified. This Hotel is one of India's best private sector companies with a market capitalization of nearly US $ 18 billion and a turnover of over US $ 4.75 billion. The parent company of the hotel is rated among the World's Best Big Companies, Asia's 'Fob 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today.

- Performance Management System

The performance appraisal standards are updated and different methods of appraisal are used across the organisation. The employees are aware of the criteria for appraisals and also related a sense of importance to them. The incentives and initiatives taken by the Hotel for various levels in the organisation are communicated to all the employees.

The performance appraisal system is based on the assessment sheet. The parameters of the sheet include: knowledge of work, planning organisations, delegating work, initiative & drive, personal efficiency, dependability, leadership, co-operation, honesty integrity, quality of work, punctuality, six sigma contribution. The parameters
are assessed on a scale of outstanding, above average, average, below average. The performance is appraised by both appraiser and appraisees, head of department, personnel manager and general manager. The sheet would contain information from all of the above. Appraisals are conducted yearly, in the month of February and March.

The process takes two weeks to complete. The appraisal depends on mainly the strength and weakness of employee and means to enhance quality of work of employee. The reward system for appraisal is also in place. The head of department will decide the most deserving candidate for reward. Performance Appraisal was found to be a two way process in the hotel, with the employer and the employee being equally involved in assessment. The process is designed to facilitate discussion and mapping of future goals and growth plans. The implementation of the performance appraisal process determined promotions, increments, training and development needs and best employee awards. The process differed across different levels; a combination of methods is used. It is clearly an annual process. In case of severe deviations from the expected standard, the employee is given a warning letter, terminated, increments are withheld, promotion withheld and in some situations employee is referred for further training and development.

- Goal Setting Process

Balanced Score Card: The Hotel successfully uses Balanced score card method for its appraisal. Balanced scorecard is prepared on FIVE parameters, which are as follows:

1. Customer perspective
2. Financial perspective
3. Internal perspective
4. Employees perspective

5. Social perspective.

The innovative aspect was the fifth parameter of the social perspective, which is added to the Scorecard at the Hotel. The Balanced Scorecard was strategically oriented, and all the functional heads had a series of meetings with the HR department and the top management team. The BSC is supported by the career review form to further assess the employees.

Peer rating being an important part of the process, building a system of peer assessment to add value to the feedback collected by reviewers, rating by customers, suppliers, outside experts and clients provides an important insight into the study of appraisals. The measurement of the results to strengthen the existing processes and further additional three elements: dimension, measures and standards to the appraisal. Usage of forms which are more qualitative than quantitative, as using qualitative forms can cloud judgment and impact decision making.

- Mentoring and Development Opportunities

The company has a Career Review Form: This form assesses the subjective aspect of measuring a person's performance which is fixed at 30%. The objective of the career review form is to encapsulate the Big Five (The five Perspectives). The key competencies and the feedback which needs to be given to the senior managers. Secondly, to allow inputs taken on key parameters and assessing the potential for future growth. It is done in cohesion with the Balanced Scorecard. It comprises of five sections.
Section A-The big Five/Self-Assessment

* Revisiting the Big Five
* Providing background against which the employee performed
* Providing a framework to prepare for appraisal discussions

Filled by: Assessee

A1: Specify Departmental Objectives

A2: State Big five at the beginning of the year and achievements.

A3: Factors which aided/hindered performance

The process of appraisal is blended with the requirement of the work. The appraisal process may be aligned with the following aspects: process being Trait based, Behavior based, Knowledge or Skill based, and Result based. The Hotel aims at ideally using a combination of all these aspects for appraisal.

Focus of the organisation is on increasing job understanding, remedial performance improvement, career development, employees efforts focused on specific tasks, increasing output, HRP, linking pay and performance, improving team work.

The focus is on taking care of its people and developing them at every stage. The Hotel is 27 year old and majority of the employees are working here since many years. Moreover, the trade union of this hotel is very strong and thus the employees have an emphatic backing from the union. The top management at times faces problems with the union and has to ensure that all its policies are people centric. It organizes various activities for its staff and provides welfare amenities. Daily meetings take place for every department and Saturday training sessions for all the
head of departments. Various informal activities are organised to facilitate an open
and friendly environment in terms of organisational work arrangements.

Every department designs its own feedback forms, which the employee has to fill
from time to time. Despite these efforts at times the people working in the
organisation since many years tend to command most of the decisions. The employees
don't feel hesitant to come out with their views and own up their mistakes, as
company’s culture doesn't believe in firing people for every small mistake unless and
until it is really drastic. Various cross-functional training sessions and other informal
sessions are organised to facilitate better employee relations. Running the gauntlet to
more effective, purpose based performance management is a high risk, high reward
endeavour. Many myths may be dispelled and many traps avoided. A successful run
requires significant investment, sustained commitment and the underlying belief that
performance management is a core business process that can create competitive
advantage when done well.

Conclusion:
The above studies have shown that in the recent past companies are giving a lot of
importance to aligning performance management systems with the company goals
since this is expected to bring in more engagement of employees at the workplace.

4.3 Data Analysis and Results
In this section of the chapter the data collected from the survey with 600 respondents
is analysed and presented in a tabular form. The general background of the
respondents presented gives the information regarding the demographic profile of the
respondents. Mean and SD values are calculated for the demographic variables.
Further Mean and SD values are also obtained on elements of PMS and EE. Karl Pearson’s Coefficient of Correlation is used to study the nature of relationship or association between PMS and EE.

4.3.1 General Background of the Respondents

The respondents are classified on the basis of Gender, Experience and Age. On the basis of Gender the respondents are classified into male and female categories. On the basis of Age respondents are classified into four groups, i.e. 21-25 years; 26-30 years; 31-35 years and 36 years and above. On the basis of Experience respondents are classified into three groups, i.e. upto 36 months, 37-60 months and above 60 months. The information on these variables has been tabulated and presented in a summarised form to have a comparative idea of the general background of the respondents of different industries i.e Financial Services, IT and Hospitality.
### 4.3.2 Industrywise Mean and Standard Deviation for Age and Experience

**Table 6: Industrywise Mean and Standard Deviation for Age and Experience**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Mean Age</th>
<th>Experience (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>35.18</td>
<td>66.63</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>6.364</td>
<td>51.352</td>
</tr>
<tr>
<td>Coefficient of Variation %</td>
<td>18.089</td>
<td>77.070</td>
</tr>
<tr>
<td>IT</td>
<td>30.81</td>
<td>51.97</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>8.870</td>
<td>23.879</td>
</tr>
<tr>
<td>Coefficient of Variation %</td>
<td>28.789</td>
<td>45.947</td>
</tr>
<tr>
<td>Hospitality</td>
<td>28.61</td>
<td>43.38</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>5.191</td>
<td>12.826</td>
</tr>
<tr>
<td>Coefficient of Variation %</td>
<td>18.144</td>
<td>29.566</td>
</tr>
<tr>
<td>Total</td>
<td>31.54</td>
<td>53.99</td>
</tr>
<tr>
<td>N</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>7.483</td>
<td>34.820</td>
</tr>
<tr>
<td>Coefficient of Variation %</td>
<td>23.725</td>
<td>64.493</td>
</tr>
</tbody>
</table>
Graph-2: Industrywise Mean and Standard Deviation for Age

![Graph-2](image1)

Graph-3: Industrywise Mean and Standard Deviation for Experience

![Graph-3](image2)
Graph-4: Industrywise Mean of Age and Experience

Graph-5: Industrywise Standard Deviation of Age and Experience

Interpretation:

From the above Table 6 and Graph-2, Graph-3, Graph-4, and Graph-5, it may be observed that, the mean age of respondents is highest in Financial Services followed
by IT and Hospitality. The average age is highest in financial services because the employees stay longer with the company. It may be observed that mean of experience is highest in Financial Services industry followed by IT and Hospitality industry. Therefore it may be observed that the mean of age and experience is both highest in Financial Services. As compared to IT and Hospitality industry, Financial Services industry have more respondents in the higher age group and with more experience.

It may be observed that the coefficient of variation in age is highest in IT industry and lowest in Financial Services industry. Coefficient of Variation in experience is highest in Financial Services industry and lowest in Hospitality industry.

It may be observed that for Age Group the highest variation is seen in IT industry and for Experience Group, the highest variation is seen in Financial Services Industry.
### 4.3.3 Industrywise Distribution of Age group

**Table 7: Industrywise Distribution of Age Group**

**Age Group * Industry**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Count</th>
<th>Financial</th>
<th>IT</th>
<th>Hospitality</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-25</td>
<td></td>
<td>8</td>
<td>76</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>4.0%</td>
<td>38.0%</td>
<td>32.5%</td>
</tr>
<tr>
<td>26-30</td>
<td>50</td>
<td>45</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>25.0%</td>
<td>22.5%</td>
<td>50.0%</td>
</tr>
<tr>
<td>31-35</td>
<td>50</td>
<td>48</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>25.0%</td>
<td>24.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>36 &amp; above</td>
<td>92</td>
<td>31</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>46.0%</td>
<td>15.5%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Graph 6: Industrywise Distribution of Age Group

Interpretation:
Table 7 and Graph 6 present the Industrywise Distribution of Age group of the respondents. It may be observed that within the three industries studied, the maximum number of respondents in the age group of 21-25 years are from IT industry. In the age group of 26-30 years maximum number of respondents are from Hospitality industry. In the age group of 31-35 years and 36 and above maximum number of respondents are from Financial Services industry. It may be further observed that maximum number of respondents are in the age group of 26-30 years where (n=600).

In Financial Services industry maximum number of respondents are in the age group of 36 years and above where (n=200). In IT industry maximum number of respondents are in the age group of 21-25 years where (n=200). In Hospitality industry maximum number of respondents are in the age group of 26-30 years where (n=200).
It may be inferred from the responses on the survey that in financial services maximum number of employees belongs to the older age group. Further it may be observed that as compared to Financial Services and Hospitality industry, IT Industry has maximum number of employees in the lower age group of 21-25 years.

4.3.4 Industrywise Distribution of Experience Group

Table 8: Industrywise Distribution of Experience Group

<table>
<thead>
<tr>
<th>Experience group</th>
<th>Industry</th>
<th>Count</th>
<th>% within Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial</td>
<td>42</td>
<td>21.0%</td>
</tr>
<tr>
<td></td>
<td>IT</td>
<td>98</td>
<td>49.0%</td>
</tr>
<tr>
<td></td>
<td>Hospitality</td>
<td>120</td>
<td>60.0%</td>
</tr>
<tr>
<td>Up to 36 months</td>
<td></td>
<td></td>
<td>43.3%</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37-60 months</td>
<td>Count</td>
<td>127</td>
<td>63.5%</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 60 months</td>
<td>Count</td>
<td>31</td>
<td>15.5%</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

236
Graph 7: Industrywise Distribution of Experience Group

Interpretation

From the above Table-8 and Graph-7, it may be observed that, within the three industries studied, maximum number of respondents in the experience group of upto 36 months, are from Hospitality industry. As compared to IT and Hospitality industry, the maximum number of respondents in the experience group of 37-60 months and 60 and above are from Financial Services industry. It may be also observed that though there is not much difference in the number of respondents in the three industries having experience above 60 months, the maximum number of employees in this group are from Financial Services industry.

In financial services industry the maximum number of respondents are in the experience group of 37-60 months where (n=200). In IT industry maximum number of respondents are in the experience group ofupto 36 months where (n=200). In Hospitality industry, maximum number of respondents are in the experience group of upto 36 months where (n=200).

Therefore it may be inferred that, the maximum number of respondents surveyed
belong to the age group of upto 36 months where (n=600). It may be observed that in
IT and Hospitality industry the maximum number of employees belong to the
youngest age group as compared to financial services.

4.3.5 Industrywise Distribution of Gender

Table 9: Industrywise Distribution of Gender

Gender * Industry

<table>
<thead>
<tr>
<th>Gender</th>
<th>Industry</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial</td>
<td>IT</td>
</tr>
<tr>
<td>Male</td>
<td>Count</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>67.0%</td>
</tr>
<tr>
<td>Female</td>
<td>Count</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>33.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>% within Industry</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Interpretation:

Table 9 and Graph 8, presented above indicates that, in all the three industries studied, the number of male respondents are more than female respondents. However it is observed that maximum number of female respondents are from hospitality industry, followed by Financial Services and IT Industry. The maximum number of male respondents surveyed are from IT industry followed by Financial Services and Hospitality Industry.
4.3.6 Mean and Standard Deviation for Performance Management System and Employee Engagement

Table 10: Mean and Standard Deviation for Performance Management System and Employee Engagement

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Coefficient of Variation%</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMS</td>
<td>84.23</td>
<td>13.865</td>
<td>16.460</td>
<td>600</td>
</tr>
<tr>
<td>EE</td>
<td>45.64</td>
<td>7.244</td>
<td>15.872</td>
<td>600</td>
</tr>
</tbody>
</table>

Graph 9: Mean and Standard Deviation for Performance Management System and Employee Engagement

Interpretation

Table 10 and Graph 9 presents mean, standard deviation and coefficient of variation of PMS and EE. The coefficient of variation in scores is less in EE as compared to PMS.
4.3.7 Mean and Standard Deviation for the Elements of Performance Management System and Employee Engagement

Table 11: Mean and Standard Deviation for the Elements of Performance Management System and Employee Engagement

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Range</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Coefficient of Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>V</td>
<td>600</td>
<td>12</td>
<td>6</td>
<td>18</td>
<td>15.86</td>
<td>2.557</td>
<td>16.122</td>
</tr>
<tr>
<td>Ded</td>
<td>600</td>
<td>12</td>
<td>6</td>
<td>18</td>
<td>14.84</td>
<td>3.059</td>
<td>20.613</td>
</tr>
<tr>
<td>Ab</td>
<td>600</td>
<td>12</td>
<td>6</td>
<td>18</td>
<td>14.93</td>
<td>2.452</td>
<td>16.423</td>
</tr>
<tr>
<td>GS</td>
<td>600</td>
<td>20</td>
<td>10</td>
<td>30</td>
<td>26.08</td>
<td>3.986</td>
<td>15.283</td>
</tr>
<tr>
<td>PF</td>
<td>600</td>
<td>22</td>
<td>5</td>
<td>27</td>
<td>20.53</td>
<td>3.985</td>
<td>19.410</td>
</tr>
<tr>
<td>M</td>
<td>600</td>
<td>22</td>
<td>8</td>
<td>30</td>
<td>25.07</td>
<td>4.642</td>
<td>18.516</td>
</tr>
<tr>
<td>DO</td>
<td>600</td>
<td>12</td>
<td>3</td>
<td>15</td>
<td>12.54</td>
<td>2.712</td>
<td>21.626</td>
</tr>
<tr>
<td>Valid N</td>
<td>600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Graph 10: Mean and Standard Deviation for the Elements of Performance Management System and Employee Engagement

**Interpretation:**

Table 11 and Graph 10 describes the mean, standard deviation and coefficient of variation of 600 respondents for the elements of EE i.e. Vigor, Dedication and Absorption and PMS i.e. Goal Setting, Performance Feedback, Mentoring and Development Opportunities. It may be observed that there is not much difference found in the mean scores of Dedication and Absorption. All the three averages of EE elements are towards the Maximum value. The mean score of Vigor is found to be highest as compared to Dedication and Absorption. The high scores on vigor indicate that usually employees have much energy, zest and stamina when working.

It may be observed that the variation in scores is lowest for the element of goal setting. The highest variation is seen for the element of development opportunities. It means that the scores on this item are more scattered.
The results of the survey with 600 respondents indicates that employees exhibit a high level of employee engagement in the companies studied from the three sectors. The highest mean value is obtained on Goal Setting. The companies studied lay lot of emphasis on the goal setting process. The employees are actively made to participate in setting their goals. The 600 respondents surveyed strongly agree that there are clear performance criteria outlined for their job and they have individual support for setting quality goals. Employees agree that they have a good understanding of their work and they are well informed about changes in their organisation that affect their work group. The respondents surveyed also believe that their work group makes efficient use of resources time and budget and therefore their meetings are focused and efficient. The low scores on Development opportunities indicate that employees feel that they do not have sufficient opportunities to further enhance their skills and knowledge in the organisation.
4.4 Industrywise Co-efficient of Correlation

This section presents values of the coefficient of correlation obtained on PMS and EE in the industries studied. Total correlations for 600 respondents are also presented in this section.

4.4.1 Correlation Coefficient for Performance Management System and Employee Engagement in Financial Services Industry

Table 12: Correlation Coefficient for Performance Management System and Employee Engagement in Financial Services Industry

<table>
<thead>
<tr>
<th></th>
<th>Performance Management System</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Management System</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Pearson Correlation</td>
<td>.654**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

4.4.2 Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Financial Services Industry

Table 13 Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Financial Service Industry
<table>
<thead>
<tr>
<th></th>
<th>Goal Setting</th>
<th>Performance Feedback</th>
<th>Mentoring</th>
<th>Development Opportunities</th>
<th>Vigor</th>
<th>Dedication</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.533**</td>
<td>.626**</td>
<td>.702**</td>
<td>.517**</td>
<td>.387**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Performance Feedback</td>
<td>Pearson Correlation</td>
<td>.533**</td>
<td>1</td>
<td>.400**</td>
<td>.474**</td>
<td>.485**</td>
<td>.557**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Mentoring</td>
<td>Pearson Correlation</td>
<td>.626**</td>
<td>.400**</td>
<td>1</td>
<td>.712**</td>
<td>.442**</td>
<td>.492**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
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<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Development Opportunities</td>
<td>Pearson Correlation</td>
<td>.702**</td>
<td>.474**</td>
<td>.712**</td>
<td>1</td>
<td>.643**</td>
<td>.532**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
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<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Vigor</td>
<td>Pearson Correlation</td>
<td>.517**</td>
<td>.485**</td>
<td>.442**</td>
<td>.643**</td>
<td>1</td>
<td>.549**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>
**Dedication**

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>.387**</th>
<th>.557**</th>
<th>.492**</th>
<th>.532**</th>
<th>.549**</th>
<th>1</th>
<th>.623**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

**Absorption**

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>.320**</th>
<th>.399**</th>
<th>.369**</th>
<th>.390**</th>
<th>.635**</th>
<th>.623**</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.01 level (2-tailed).*

**Interpretation:**

It may be observed from above Table-13 inter-correlation matrix that the correlation between different elements of performance management system and employee engagement ranges between lowest $r=0.320$ (between Goal Setting and Absorption) and highest $r=0.712$ (between Mentoring and Development Opportunities) and all the coefficients are significant at 0.01 level of significance. It may be inferred that there is also high positive correlation observed between Goal Setting and Development Opportunities ($r=0.702$). Therefore Goal Setting will be focused if opportunities for mentoring and career development are provided by the organization.

All the other correlation co-efficient fall within the close range. All the inter-factor correlation coefficients between elements of performance management and employee engagement are significant at 0.01 level of significance, testifying that all the factors of performance management are positively contributing to employee engagement. At the same time, the correlation coefficients between different factors are not unduly
high attributing that no factor is overshadowing or overlapping the other to a great extent to make the other redundant. This is the desirable situation where each of the factors are significantly correlated and the correlation coefficients are not unduly high to dilute the significance of any of the factors due to other factor.

The correlation coefficient found between Goal Setting and Vigor is highest as compared to goal setting with Dedication and Goal Setting with Absorption. The high energy, zest and stamina observed amongst the employees at work, can be effectively utilised by supervisors by providing them with more challenging and meaningful goals so that the employees feel more happily engrossed in their work.

Performance feedback and Mentoring is more strongly correlated with Dedication as compared to Vigor and Absorption, indicating that performance feedback and mentoring provided at regular intervals can make the employees feel more dedicated. Dedicated employees can strongly identify with their work because it is experienced as meaningful, inspiring, and challenging. Besides, they usually feel enthusiastic and proud about their work.

The highest correlation between elements of performance management system and elements of employee engagement is seen between development opportunities and vigor. Employees will exhibit high energy and stamina when they see opportunities for their career development at workplace.

It is seen that out of 200 respondents studied in this sector maximum number of respondents belong to the age group of 36 and above with maximum number of respondents having an experience between 37-60 months. This shows that this group of employees has a highest need for development opportunities since they are mostly
considered for taking up higher level leadership roles or they need to continuously upgrade their skillsets for the present role. The reasons for increase in employee engagement due to performance management system is because employees feeling of dedication at work, absorption and vigor increases if they perceive their goals to be meaningful, get timely feedback on their performance, are provided with development opportunities and given a mentoring environment. Absorption refers to being totally and happily immersed in one’s work and having difficulties detaching oneself from it so that times passes quickly and one forgets everything else that is around. Those who score high on absorption feel that they usually are happily engrossed in their work, they feel immersed by their work and have difficulties detaching from it because it carries them away. As a consequence, everything else around is forgotten and time seems to fly.
4.4.3 Correlation Coefficient for Performance Management System and Employee Engagement in Information Technology Industry

Table 14: Correlation Coefficient for Performance Management System and Employee Engagement in Information Technology Industry

<table>
<thead>
<tr>
<th></th>
<th>Employee Engagement</th>
<th>Performance Management System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.968**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
</tr>
<tr>
<td>Performance Management System</td>
<td>Pearson Correlation</td>
<td>.968**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

From Table 14 above, it may be observed that, the high positive correlation in this sector is observed mainly because majority employees are in the young age group and therefore have a long career graph. Moreover they have high need for achievement.
### 4.4.4 Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Information Technology Industry

#### Table 15: Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Information Technology Industry

<table>
<thead>
<tr>
<th></th>
<th>Goal Setting</th>
<th>Performance Feedback</th>
<th>Mentoring</th>
<th>Development Opportunities</th>
<th>Vigor</th>
<th>Dedication</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.913**</td>
<td>.939**</td>
<td>.820**</td>
<td>.888**</td>
<td>.896**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Performance Feedback</td>
<td>Pearson Correlation</td>
<td>.913**</td>
<td>1</td>
<td>.931**</td>
<td>.724**</td>
<td>.758**</td>
<td>.918**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Mentoring</td>
<td>Pearson Correlation</td>
<td>.939**</td>
<td>.931**</td>
<td>1</td>
<td>.788**</td>
<td>.849**</td>
<td>.866**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Development Opportunities</td>
<td>Pearson Correlation</td>
<td>.820**</td>
<td>.724**</td>
<td>.788**</td>
<td>1</td>
<td>.910**</td>
<td>.617**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>
**. Correlation is significant at the 0.01 level (2-tailed).

**Interpretation:**

It may be observed from the above Table-15, inter-correlation matrix that the correlation between different factors of performance management system and employee engagement ranges between lowest \( r=0.602 \) (between Absorption with Development Opportunities) and highest \( r=0.939 \) (between Goal Setting and Mentoring) and all the coefficients are significant at 0.01 level of significance. Performance Feedback and Mentoring is most strongly related to Dedication as compared to Vigor and Absorption. It may be observed from the respondents surveyed that performance feedback and mentoring may result into high level of dedication at work where employees derive a sense of significance from their work, feel enthusiastic and proud about their work, and feel inspired and challenged by it.
The highest level of correlation of elements of Employee Engagement with Performance Management System is found between Development Opportunities with Vigor, indicating the strong urge of employees to improve continuously in their performance and grow with the company, thereby exhibiting high level of enthusiasm at work. The workforce in the organisations studied is young and vibrant. They have a strong need for growth and development. The maximum number of respondents belongs to the age group of 21-25 years with maximum number of respondents having experience of upto 36 months. This energy zeal and enthusiasm should be channelised by giving them opportunities to work on challenging and meaningful assignments.

### 4.4.5 Correlation Coefficient for Performance Management System and Employee Engagement in Hospitality Industry

**Table 16: Correlation Coefficient for Performance Management System and Employee Engagement in Hospitality Industry**

<table>
<thead>
<tr>
<th></th>
<th>Performance Management System</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Management System</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.987**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>200</td>
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<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Pearson Correlation</td>
<td>.987**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>200</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Interpretation:

From the above Table-16 it may be observed that amongst all the three industries, the highest degree of correlation coefficient between Performance Management System and Employee Engagement is in hospitality industry. This may be because this industry has high stress jobs where employees are required to be always service oriented polite and hospitable. The high correlation also indicate that more emphasis is given on designing effective performance management system which results in high level of employee engagement.

4.4.6 Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Hospitality Industry

Table-17: Correlation Coefficient between Elements of Performance Management System and Employee Engagement in Hospitality Industry

<table>
<thead>
<tr>
<th></th>
<th>Goal Setting</th>
<th>Performance Feedback</th>
<th>Mentoring</th>
<th>Development Opportunities</th>
<th>Vigor</th>
<th>Dedication</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.910**</td>
<td>.941**</td>
<td>.846**</td>
<td>.847**</td>
<td>.885**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Performance Feedback</td>
<td>Pearson Correlation</td>
<td>.910**</td>
<td>1</td>
<td>.945**</td>
<td>.861**</td>
<td>.719**</td>
<td>.879**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>
Mentoring  | Pearson Correlation | Sig. (2-tailed) | N  
--- | --- | --- | --- 
 | .941** | .000 | 200 
 | .945** | .000 | 200 
 | 1 | .000 | 200 
 | .907** | .000 | 200 
 | .738** | .000 | 200 
 | .920** | .000 | 200 
 | .919** | .000 | 200 

Development Opportunities  | Pearson Correlation | Sig. (2-tailed) | N  
--- | --- | --- | --- 
 | .846** | .000 | 200 
 | .861** | .000 | 200 
 | .907** | .000 | 200 
 | 1 | .000 | 200 
 | .540** | .000 | 200 
 | .934** | .000 | 200 
 | .943** | .000 | 200 

Vigor  | Pearson Correlation | Sig. (2-tailed) | N  
--- | --- | --- | --- 
 | .847** | .000 | 200 
 | .719** | .000 | 200 
 | .738** | .000 | 200 
 | .540** | .000 | 200 
 | 1 | .000 | 200 
 | .552** | .000 | 200 
 | .549** | .000 | 200 

Dedication  | Pearson Correlation | Sig. (2-tailed) | N  
--- | --- | --- | --- 
 | .885** | .000 | 200 
 | .879** | .000 | 200 
 | .920** | .000 | 200 
 | .934** | .000 | 200 
 | .552** | .000 | 200 
 | 1 | .000 | 200 
 | .903** | .000 | 200 

Absorption  | Pearson Correlation | Sig. (2-tailed) | N  
--- | --- | --- | --- 
 | .844** | .000 | 200 
 | .867** | .000 | 200 
 | .919** | .000 | 200 
 | .943** | .000 | 200 
 | .549** | .000 | 200 
 | .903** | .000 | 200 
 | 1 | .000 | 200 

**. Correlation is significant at the 0.01 level (2-tailed).

**Interpretation:**

It may be observed from the above Table-17, inter-correlation matrix that the correlation between elements of performance management system and employee engagement ranges between lowest $r=0.540$ (between Vigor with Development Opportunities) and highest $r=0.945$ (between Performance Feedback and Mentoring) and all the elements are significant at 0.01 level of significance.
The highest correlation between all the elements of performance management system and employee engagement is observed between (Development Opportunities with Absorption r=0.943) and all are significant at 0.01 level of significance.

It is also observed that the highest correlation co-efficient of Goal Setting, Performance Feedback and Mentoring is found with Dedication. The highest correlation coefficient of Development Opportunities is found with Absorption.

4.5 Total Correlation Coefficient for Performance Management System and Employee Engagement

Table: 18 Total Correlation Coefficient for Performance Management System and Employee Engagement

<table>
<thead>
<tr>
<th></th>
<th>Performance Management System</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Management System Pearson Correlation</td>
<td>1</td>
<td>.853**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>600</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>Pearson Correlation</td>
<td>.853**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>600</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Interpretation:

Table-18 above presents the total correlation of Performance Management System with Employee Engagement. The 600 respondents surveyed believe that effective performance management system results in high level of employee engagement at workplace.

We can conclude that the independent variable PMS has an impact on EE in the organisations studied from service industry.

4.6 Total Correlation Coefficient between Elements of Performance Management System and Employee Engagement

Table-19: Total Correlation Coefficient between Elements of Performance Management System and Employee Engagement

<table>
<thead>
<tr>
<th>Goal Setting</th>
<th>Performance Feedback</th>
<th>Mentoring</th>
<th>Development Opportunities</th>
<th>Vigor</th>
<th>Dedication</th>
<th>Absorption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal Setting Pearson Correlation</td>
<td>.764**</td>
<td>.803**</td>
<td>.760**</td>
<td>.710**</td>
<td>.663**</td>
<td>.635**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
</tbody>
</table>

Performance Feedback Pearson Correlation | .764** | .724** | .663** | .672** | .784** | .709** |
| Sig. (2-tailed)       | .000 | .000 | .000 | .000 | .000 | .000 |
| N                     | 600 | 600 | 600 | 600 | 600 | 600 |
**Correlation is significant at the 0.01 level (2-tailed).**

<table>
<thead>
<tr>
<th>Mentoring</th>
<th>Pearson Correlation</th>
<th>.803**</th>
<th>.724**</th>
<th>1</th>
<th>.796**</th>
<th>.654**</th>
<th>.726**</th>
<th>.694**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Development Opportunities</td>
<td>Pearson Correlation</td>
<td>.760**</td>
<td>.663**</td>
<td>.796**</td>
<td>1</td>
<td>.695**</td>
<td>.675**</td>
<td>.628**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
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<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Vigor</td>
<td>Pearson Correlation</td>
<td>.710**</td>
<td>.672**</td>
<td>.654**</td>
<td>.695**</td>
<td>1</td>
<td>.648**</td>
<td>.658**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
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</tr>
<tr>
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<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Dedication</td>
<td>Pearson Correlation</td>
<td>.663**</td>
<td>.784**</td>
<td>.726**</td>
<td>.675**</td>
<td>.648**</td>
<td>1</td>
<td>.789**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
<tr>
<td>Absorption</td>
<td>Pearson Correlation</td>
<td>.635**</td>
<td>.709**</td>
<td>.694**</td>
<td>.628**</td>
<td>.658**</td>
<td>.789**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>600</td>
</tr>
</tbody>
</table>
Interpretation:

It may be observed from above Table-19, inter-correlation matrix that the total correlation between elements of performance management system and employee engagement ranges between lowest \( r=0.628 \) (between Development Opportunities with Absorption) and highest \( r=0.803 \) (between Mentoring and Goal Setting) and all the elements are significant at 0.01 level of significance. The highest correlation for elements of Performance Management System and Employee Engagement is seen between Performance Feedback and Dedication \( (r=0.784) \) at 0.01 level of significance.

4.7 Conclusions

It is observed that at 0.01 level of significance the co-efficient of correlation between Performance Management System and Employee Engagement is \( (r=0.853) \) where \( n=600 \). Therefore the independent variable Performance Management System is positively related with dependent variable employee engagement. The correlation is found to be significant in all the industries and within industries the highest level of correlation is observed in Hospitality Industry with \( (r=0.987) \) at 0.01 level of significance where \( (n=200) \). The variability is more observed in hospitality industry where scores ranges between lowest \( r=0.540 \) (Vigor with Development Opportunities) and highest \( r=0.945 \) (Performance Feedback and Mentoring).

1. At 0.01 level of significance, where \( N= 600 \), there exists a high positive co-efficient of correlation of Goal Setting (GS) with Vigor \( (r = 0.710) \) Dedication \( (r = 0.663) \) and Absorption \( (r = 0.635) \).
The Null Hypothesis (Ho1) is rejected and the Alternate Hypothesis (Ha1) is accepted and conclude that, there is a significant relationship between the level of employee engagement and the Performance Management in organizations from the service industry with respect to Goal Setting.

It is seen from the analysis of survey conducted that employees give lot of importance to goal setting process. The high correlation of Goal Setting with other elements of Performance Management System indicate that the development opportunities, the quality and frequency of performance feedback and mentoring opportunities in the environment contribute towards employees effective goal setting. Employees feel highly engaged at work when they believe that their goals are meaningful and challenging.

2. At 0.01 level of significance, where N= 600, there exists a high positive coefficient of correlation of Performance Feedback with Vigor (r= .672), Dedication (r= .784) and Absorption (r= .709).

The Null Hypothesis (Ho2) is rejected and the Alternate Hypothesis (Ha2) is accepted and conclude that, there is a significant relationship between the level of employee engagement and the Performance Management in organizations from the service industry with respect to Performance Feedback.

Feedback on performance given by the supervisors is viewed as a positive factor in increasing the level of employee engagement. Respondents have also expressed the concern that Performance Feedback should be provided on regular intervals. The quality of feedback is also important as it helps employees in removing any hurdles faced on the job.
3. At 0.01 level of significance, where N= 600, there exists a high positive coefficient of correlation of Mentoring with Vigor (r= .654), Dedication (r= .726) and Absorption (r= .694).

The Null Hypothesis (Ho3) is rejected and the Alternate Hypothesis (Ha3) is accepted and conclude that, there is a significant relationship between the level of employee engagement and the Performance Management in organizations from the service industry with respect to Mentoring.

Mentoring is useful especially with employees to be considered for promotion, higher level assignments or leadership roles. Formal mentoring can result in high level of employee engagement at workplace. The companies studied for the purpose of this research do not conduct formal mentoring programs. The respondents surveyed placed a lot of importance on formal mentoring programs.

4. At 0.01 level of significance, where N= 600, there exists a high positive coefficient of correlation of Development Opportunities with Vigor (r= .695), Dedication (r= .675) and Absorption (r= .628).

The Null Hypothesis (Ho4) is rejected and the Alternate Hypothesis (Ha4) is accepted and conclude that, there is a significant relationship between the level of employee engagement and the Performance Management in organizations from the service industry with respect to Development Opportunities.

It is seen that Development Opportunities should be implemented for all levels of employees, since it is considered as an important element for their career planning and growth.
4.8 Interpretation

The effective management and implementation of performance management system is only possible when employees understand the effectiveness of this system. The experience survey presented in this chapter throws light on the performance management system followed in organisations study. Very few companies use 360 feedback as an evaluation tool. It is used only at senior management positions in banks.

The team goals and individual goals should be well defined in the organizations and proper weightages should be assigned to them. In the organisations studied it is seen that goals and the weightages assigned to the goals change based on the upgradation in targets on a half yearly or yearly basis. Because of this employees feel lack of commitment towards the goals. Hence regular feedback on employee performance can enhance their commitment towards the organizational goals. Development opportunities should not only prepare the employees to take up higher level positions but also is viewed as tool to help employees grow in their present role.

Most of the companies studied reward their employees on monthly basis based on achievement of KRA’s. Softwares used for performance appraisal help to systematically track the monthly achievement of employees on KRA’s assigned to them. Formal Mentoring help employees to develop individual development plans. However most of the companies studied are unable to effectively implement formal mentoring programs due to the challenging work goals and the changing nature of jobs. The senior managers have less time to devote on mentoring activities. It is clear from the results of the Experience Survey and the data analysis presented in this chapter that service sector need to give lot of emphasis on Performance Management
System as a tool for building employee engagement at workplace. The information presented in this chapter has brought forward some significant findings on the need to improve the level of employee engagement by using the tool of performance management system. These findings will be discussed in detail in the next chapter on Major Findings, and Recommendations.