EXECUTIVE SUMMARY

Performance is always based on a deep desire to achieve excellence at every milestone. The excellence can not be generated by moving any magical stick, but by the contribution of the 'Employee'. Therefore, to confirm employee's excellence and make improvements, it is essential to measure employee's performance by looking him in the financial form, at customer platform, from internal business process ground and through learning and growth mirror. Kaplan and Norton developed an innovative and multi-dimensional performance scorecard known as ‘Balanced Scorecard’, which supports the organization to align its performance measurement and control from the financial, customer, internal business process and learning and growth. The ‘Balanced Scorecard’ enables banks to track financial results, while simultaneously monitoring progress in acquiring the intangible assets for future growth. Balanced Scorecard can be applied in banking sector to measure employees' performance also. Therefore, the present study is confined to ‘Application of Balanced Scorecard in measuring employees' performance in selected banks’. In the competitive times, changing organizational roles, new demands and power of information technology has forced banking industry to recognize and update performance measures, which can present a clear picture of employees' performance. The researcher addresses to study existing performance measurement system in SBI and ICICI bank and endeavors to measure employees' performance by applying Balanced Scorecard perspectives. Therefore, the research focuses on analyzing employees' performance by (a) calculating productivity and cost ratios, (b) analyzing customers' perception, (c) using market orientation and steps as suggested by Kaplan and Norton for the functioning of internal business processes and (d) finding employees' perception with reference to learning and growth scale in selected banks. The report of the present study is divided into six chapters. The first chapter provides the reader with an introduction to the concept of 'Balanced Scorecard' and describes the research design used for data collection and analysis. The second chapter provides with an overview of the literature on previous research within the
area of ‘Balanced Scorecard’ and its perspectives as a strategic performance measurement model. Chapter three contains detailed discussion on ‘Performance measurement system’ in selected banks. Chapter four presents the research findings and analysis of the data. Chapter five contains the overall conclusions drawn from the research in relation to data analysis and existing performance measurement system in selected banks. Chapter six suggests strategies for future ‘Performance measurement programs’. The study shall motivate further research within the area of ‘Balanced Scorecard’ as a strategic control to other banks and similar organizations.

While the literature is offering general statements about the successful introduction of Balanced Scorecard are plentiful, no reports of explanation for employees’ performance measurement are available. This research offers an insight into the process of elaborating the Balanced Scorecard for SBI and ICICI bank, outlining the application as well as emphasizing important issues concerning the line of application for employees’ performance measurement.

While examining the existing ‘Performance measurement system’ in SBI and ICICI bank, the researcher observes that ‘Performance measurement system’ of ICICI bank is better than SBI in the form of setting targets, achievement and orientation.

While wrapping up the analysis, the researcher observes the employee in ‘Financial perspective’ form and finds that employees’ performance in ICICI bank is better than SBI due to more productivity and least cost. At ‘Customer perspective’ platform, employees’ performance in ICICI bank is better than SBI due to more mean perception of customers for all the dimensions except ‘Reliability’. On ‘Internal business process perspective’ ground, employees’ performance in ICICI bank is better than SBI due to more mean perception of ICICI bank’s employees for all the dimensions. In ‘Learning and growth perspective’ mirror, employees’ performance in ICICI bank is better than SBI due to more mean perception of ICICI bank’s employees for all the dimensions except ‘Organizational memory’.

While revisiting the findings, one can conclude that employee’s performance was better in ICICI bank than SBI. The inferences were drawn on the basis of existing ‘Performance measurement system’ in the selected
banks and also with respect to analysis and interpretation of data by applying statistical techniques.

Last of all, the researcher concludes that Balanced Scorecard perspectives are required to continuously align the performance measurement system with human dominating strategy. With reference to different perspectives and the report on data analysis, certain improvements are suggested and presented in the form of ‘VISION: By 2013, Become the Leader in Banking Industry’.

The researcher recommended a tracking system named ‘New era success launch’, which allows the employees to explore their hidden potential while dovetailing their individual goals with the organizational goals and also provide a framework needed for strategic alignment, strategic success and learning. The success of the ‘New era success launch’ depends highly on the strategy based performance measures, success based planning and management, use of information technology and sharing of data for benchmarking.

Human power makes a difference in business results and HR practices can contribute towards business performance through the multidimensional approach. Without moving through the tracking system at every line, banks cannot utilize employee contribution. As a result, the linkage between human resources and business performance will be weakened. ‘New era success launch’ is not the “flavour of the month” but should be considered as an evaluating management concept.