CHAPTER 5
PERFORMANCE APPRAISAL AND CAREER PROGRESSION IN SBM

5.1 Introduction

An employee who has capability and competency can achieve targets and perform beyond expectations of organization, he should then receive a proper performance plan and career plan from the organization and having performed task well should be rewarded and promoted for his ability.

The way people are managed influence the way they perform. Therefore, performance appraisal should be considered more as a meaningful process and due importance should be given to it. An employee should view performance appraisal as a forum to address personal growth and in turn career planning and should not become tense or apprehensive about it. (Monappa & Engineer, 1999). Performance appraisal is the step where the management finds how effective it has been in the HRD programme. (Bansal, 1991).

Performance appraisal has long been treated as an instrument of control. As observed by Mamoria – performance appraisal is concerned with evaluating employee performance at work in terms of predetermined norms/standards with a view to developing a sound system of rewards and punishment and identifying employees eligible for promotion. (Mamoria, 1993). It is a process of evaluating the performance and qualifications of employees in terms of the requirements of the job for which he is employed, for purpose of administration including placement. Selection for promotions and providing financial rewards, other actions which require different treatments among employees of the organization (Heyel, 1973).
According to Douglas McGregor, formal performance appraisal plans are the means of telling a subordinate how is doing and suggesting needed change in his behaviour, attitude, skills or job knowledge. Formal performance appraisal plans are designed to meet three needs, one associated with organization and other two with the individual, namely, (McGregor, 1957).

1. They provide systematic judgment to back up salary increases, transfers, demotions or terminations.

2. They are means of telling a sub-ordinate how he is doing and suggesting needed changes in his behaviour, attitudes, skills or job knowledge. They let him know where he stands with the boss.

3. Their superiors use this as base for coaching and counselling individuals.

Performance appraisal as a control mechanism has several limitations:-

1. Employees seldom can know their strengths and weaknesses in relation to their capabilities.

2. They are taken by surprise when juniors overtake in promotion, which is attributed generally to favouritism and poor personnel policy. It affects employee morale and develops defensive mechanism.

3. Often promotions are given on the basis of confidentiality rated performance without assessing their potential for performing new job.

4. As a consequence of such appraisal, human resources in an organization do not grow and instead start stagnating.

However, the concept of performance appraisal has changed substantially over the years. As stated by Luthans - today performance appraisal are used not only for wage increase, transfer, promotion and lay off but also as a means of communication, motivation and development of all employees of the organization.
(Luthans, 1981). For effective performance appraisal every organization requires an appropriate system. Performance appraisal refers to evaluation of personality, performance and potential of employees. It can be informal – as a method of giving feedback on day-to-day basis or formal and it initiates desirable performance quickly. The formal performance appraisal is normally conducted once or twice in a year in structured manner. Performance appraisal is one of the most important sub-systems of HRD and broadly, it is a tool:-

1. For determining suitability of employees for higher promotion.
2. For developing employees, as from it, strengths and weaknesses of employees are known.
3. For assessing training needs of employees.
4. For giving feedback and counseling.
5. For knowing (through self-appraisal) desires of employees for progress in the organization.
6. For manpower planning.
7. For validating selection procedures.
8. For identification of potentials for particular assignment.
9. For taking decision on compensation.

There are methods of performance appraisal which is shown in table 5.1.

5.2 Methods of performance appraisal:

The various methods of performance appraisal both traditional and modern listed in table 5.1.
Various methods of performance appraisal have been developed and are being used however; any one or a combination of following methods is commonly used for appraisal.

5.2.1 Narrative Essay: This is a simple method, in which the appraiser writes about appraisee’s strengths, weaknesses, potential etc. along with suggestion for improvement. If done meticulously, it can throw lot of light on employee’s performance.

5.2.2 Ranking Method: In simple ranking method, appraiser rates all employees from higher to lowest, from best to worst employee. In alternate ranking method, rate selects the best employee and then the worst employee. Next, he uses the second best employee and the second worst employee and so forth. This method is simple but highly subjective.

5.2.3 Paired Comparison Method: It is more systematic method for comparing employees with each other. Later choose the better employee from each pair and each employee’s rank is determined by the number of time is chosen ‘the better’.

5.2.4 Forced Distribution Method: In this method overall distribution of rating is forced into a normal or bell shaped curve, under the assumption that a small portion
of employees is truly outstanding, a relatively small portion is unsatisfactory and everybody else falls in between. Forced distribution method has one advantage that it prevents clustering of employees in a particular bracket. At the same time, it may lead to resentment in the employee who are grouped as substandard performers (Cascio, 1997).

5.2.5 Behavioural Check List Method: Here, appraiser is provided with statements that describe job-related behavior, later checks which of the statements best describe the appraisee. Though a popular method, it is subjective in the sense that the performance cannot be assured on quantitative terms.

5.2.6 Forced Choice Method: This one was developed to reduce subjectivity of behavioural Check List Method. A checklist items are arranged in groups from which appraiser chooses statements which are most or least descriptive of each employee. An overall rating is then arrived at by applying a special scoring key to the latter’s descriptions.

5.2.7 Critical Incidence Method: In this method, the appraiser on the work done by the appraisee, prepares antecedent reports, on which was particularly effective or ineffective in accomplishing a task. It is basically focuses on job-behaviour and provides effective feedback for training and performance counseling. However, the method has certain limitations that recording of critical incidence on daily, weekly or monthly basis by appraiser on each appraisee is burdensome and time consuming. Moreover, the latter has no say in setting the standard of work.

5.2.8 Graphic Rating Scale: Here, various work related behaviour and attributes are rated in different scale. An example is given in table 5.2.
Table 5.2
Graphic Rating Scale: An example

<table>
<thead>
<tr>
<th>Rating factors</th>
<th>Unsatisfactory</th>
<th>Conditional</th>
<th>Satisfactory</th>
<th>Above satisfactory</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
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<tr>
<td>Appearance</td>
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<tr>
<td>Dependability</td>
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<tr>
<td>Quality of work</td>
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<tr>
<td>Relationship with people</td>
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<tr>
<td>Job knowledge</td>
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</table>

This method has advantage in the sense that performance of employees can be compared on a standardized scale.

5.2.9 Behaviourally Anchored Rating Scales (BARS): It is similar to the Graphic Rating Scale Method. However, in this method, behavioural parameters are rated and critical incidents are written down to describe performance.

5.2.10 MBO (Management by Objectives): This is the most widely used methods, in which the major objectives are settled and the appraisee mutually agree upon yardsticks for measurement of achievement of the objectives. It has advantage in the sense that appraisee can also participate in goal setting process and achievement can be measured in quantitative terms, there by reducing subjectivity to a large extent. However, this method does not enable a comparison of different appraisee's scores and performance.

5.2.11 Feedback on Appraisal Information: In this method, appraisee is informed about his strengths and weaknesses and allowed to defend himself in respect of the weaknesses which are pointed out. The method evokes favourable response because of the participative nature and results into higher performance.

5.2.12 Field Review Technique: In some organizations, particularly in those, involving field work, appraiser goes to field and observes performance of appraisee,
collect data regarding his performance by asking questions to his superiors, peer
groups, customers etc and prepare employee profile.

5.2.13 Rating by Self and Peer Group:- In this method, performance of an
employee is evaluated on the basis of independent evaluation by superior, peer
groups, and self.

5.2.14 Assessment Canter:- This is a process in which many evaluators join together
to judge employee performance in several situations with the use of a variety of
criteria. It is used mostly to help select employees for the first level supervisors
position. (Mamoria, 1993).

5.2.15 360° Performance Appraisal:- This is rather a new technique, where
feedback is collected from supervisors, subordinates, peer groups, customers and the
employee himself, on his skills, abilities, styles, job related competencies etc. This
method has higher level of reliability and validity and helps in maximizing employee
potential in competitive environment. However, its administration is some what
complicated. (Pattanayak, 2001). And the feedback is generally used for training and
development rather than pay increase (Dissler, 1998).

5.3 Weaknesses of Performance Appraisal System

Despite of efforts to improve performance appraisal system by bringing more
objectivity, it suffers from various pitfalls of subjectivity as highlighted below.

5.3.1 First Impression: First meeting with appraisee creates some impression about
him on appraiser and the latter is carried over by that, which in turns results into
subjectivity.

5.3.2 Latest Behaviour: Similarly, a few appraisers are influenced by most recent
behaviour or action of appraisees at the time of appraisal rather than performance
during the whole year. Therefore, there remains a tendency to be good with appraiser just before the time of appraisal.

5.3.3 Central Tendency: A few appraisers again prefer somewhat middle path and the rate of appraisees as average, above average, good etc.

5.3.4 Halo Effect: Some appraisers are carried over by special qualities of appraisees rather then on their job performance. As an example, one employee may not be a good worker but he is a noted writer. His appraiser may suffer from ‘Halo effect’ and rate him high.

5.3.5 Difference in Rater’s Pattern: Rating also depends on personal traits of appraisers. Some of them may rate quite leniently all the time and the other may be multi layer assessment i.e. a review of appraiser’s rating.

5.3.6 Shifting Standard: Efficacy of performance appraisal is likely to be affected by shifting standard. As an example, a Bank decided to settle, deposited mobilization as standards for last year’s appraisal. However, this year it is in NPA reduction.

5.3.7 Horn Effect: Sometimes, appraisers tend to compare performance of appraisees with what they themselves had done earlier. They often say in our time’s we used to do this and that and they ignore the changes in environment.

5.3.8 Stereotyping Effect: Performance Appraisal loses its objectivity, when it is influenced by appraisers bias of caste, faith, religion, etc. of appraisees.

5.3.9 Spill over Effect: This happens when past performance of appraisees are allowed to influence present appraisers. As an example, last two years for some reason or other one employee scored 90 out of 100 under a particular boss. This year, though his performance is outstanding, the new boss retains the same score of 90 instead of giving him 100 (Rao, 1995).
5.4 Performance and Potential Appraisal

In most of the organizations, Performance Appraisal is taken more as a tool for promotion as if it is designed to look backward in order to look forward. However, if nature of future assignment is quite different from present one, Performance Appraisal may not serve the purpose of potential appraisal effectively as the latter one indicates employee’s ability to fit into the future role. For the purpose, many organizations use a separate column in the performance appraisal format for recording score for ‘potential’ for promotion supported by appropriate narration.

5.4.1 Limitations

Effective implementation of Performance Appraisal in organizations is affected by several factors (Pattranayak, 2001).

1. Personal bias and subjectivity.
2. Lack of trust and openness in people and conservativeness.
3. Constraint of time availability.
4. A work culture not so conductive to proper giving and receiving of feedback.
5. Lack of appreciation about the philosophy and the benefits of performance feedback.
7. Fears and apprehension about use of performance feedback.
8. Confidentiality in the existing performance appraisal system.
9. Interference by trade unions in case of workers.
10. Lack of proper system and procedure.
11. Lack of accountability.
12. Lack of clarity on role, goal job demand etc.
13. No direct linkage of performance feedback system with rewards and punishment.
15. Heterogeneous interest.
16. Low motivation.
17. Target achievement oriented system.
18. Non-recognition of the effort in subordinate development.

To summarize, performance Appraisal serves the purposes of - remedial, maintenance and development. Unless all the purposes are covered in same focus and any particular purpose predominates, the system will become out of balance. For instance if remedial aspect becomes predominant, performance appraisal may become a disciplinary tool, a form of a charge sheet, a tool of power instead of instrument of evaluation. If maintenance is the main objective, then the process becomes a short, skimped and perfunctory ritual. If there is too much emphasis on development, then the focus falls on the future assignment rather than on current job.

Nevertheless, as suggested by Mamoria, performance appraisal can be effective (Mamoria, 1993):

1. If there exists an atmosphere of confidence and trust so that both supervisor and employee may discuss matters frankly and offer suggestions which will be beneficial for the organizations as well as the employee.
2. If supervisors thoroughly evaluates employee's performance.
3. If the results of performance rather than personality traits are given due weightage.
4. If supervisors analyses strengths and weaknesses of employees and advice them.
5. If appraisal process is less time consuming and less costly.
6. If results of appraisal, particularly when they are negative are immediately communicated to employees so that they try to improve their performance.

7. If a post interview is arranged so that employees may be provided with feedback and organization may know that difficulties under which employees work, so that their training needs be discovered.

5.5 Performance Appraisal in SBM

Prior to 1986, in SBM, a system of confidential reporting was existing, where employees, mainly the officers were evaluated on three basic parameters:

1. Job Knowledge
2. Conduct
3. Attitude

These parameters were rated as poor, above average, good & excellent. The system was fraught with the following deficiencies:

1. It was more subjective as it reflects views and perceptions of appraiser.
2. There was no scope for self-appraiser of appraisee mutual discussion between appraiser and appraisee
3. There was hardly any scope for providing feedback to appraisee.
4. It was mostly an instrument for promotional appraisal not for potential appraisal.
5. It was not possible to measure performance on quantitative terms and therefore objectivity was absent.

In this backdrop, the bank decided to introduce a new performance appraisal system with the following objectives:

1. A data based appraisal system-reducing subjectivity to minimum.
2. A system whereby a person can develop some clarity about his role.
3. A system, which involves appraisee in goal setting process.

4. A mechanism whereby it is possible for boss and subordinate to share each other’s expectations.

5. A system of providing feedback on performance and

6. A system which facilitates, process of identification of development needs of employees.

As viewed by Sri. T.P. Raman, Chief Officer, HRD, Central Office (Khandelwale, 1988):

"In deciding to have a totally new performance appraisal system, we were aware of its implications. We were aware that:-

1. Moving from a totally closed system to a more open system had its problems.

2. We had to usher in a process of better understanding, openness and trust.

3. The barriers to communication had to be broken.

4. Even people at significant level would have reservations and also feel uncomfortable in discussing appraisal data with his subordinates.

Nevertheless an appraisal system was then designed which had the following components:- Identification of Key Performance Areas (KPA) by appraisees and also specific task in respect of each KPA.

1. Description of parameters for measuring performance and support needed.

2. A process of joint discussion between appraiser and appraisee and a joint settlement of KPAs.


6. Identification of growth needs of individuals.
7. Arriving at development plans.
8. Counseling.

The new system was test launched at Hubli Circle/Zone in 1981. The review data indicated:

a. The PAS process led to greater understanding between boss and subordinate.
b. No games were being played by either of them.
c. Greater clarity in understanding of roles was encouraging.
d. An opportunity existed for sharing expectations.
e. Persons could see things happening and results of their efforts were becoming visible.

The experiment was gradually extended to Bengaluru, Mysore, and Mumbai Circles. After the third year, a detailed review was made and following feedback emerged:

1. PAS is desirable and a better system.
2. It is possible to improve the dyadic relationships.
3. It provides scope for persons to think about their roles and identify distinct goals.
4. It brought about involvement.
5. It provided opportunity for reviewing and analyzing performance.
6. It takes too much time – do we have that much time?
7. There present organization culture would not be supportive for introducing such a system.
8. Regardless of the intent of the PAS, bosses will have their final say.
9. KPAs are in the nature of certain ‘should’ and ‘musts’ not essentially reflect individual’s performance areas. There was a tendency to include organizational
goals and target as KPAs, which is not the intent of the system. appraiser dictates KPAs.

10. The PAS would not stabilize as long as experiment was continuing – need was to take a decision quickly to officially introduce the system. persons were not taking the system seriously.

After four years of experimentations, the bank finally decided to discard confidential reporting system with effect from 1986 onwards and introduce the new PAS uniformly in all the circles. To develop clarity and remove fear and anxiety, core groups were formed and large number of seminars was conducted throughout the country. With the preparatory work, the system was finally launched in April 1986. (Khandelwale, 1988).

5.6 New Performance Appraisal System

However, the following feedback was received after the implementation of the system in all the circles (Manual of instructions, 1988):-

1. Though efforts have been made to make it objective, it is still subjective, as PAS - 5 are attributing based.

2. The KPAs are difficult to comprehend and call for a good deal of judgment on the part of both appraiser and appraisee.

3. Although the system has been conceived as person specific. In actual practice, appraisee and appraiser together settle KPAs of the role.

4. We have still only imperfectly imbibed a culture of openness, mutual trust and moral courage required to share and accepts deficiencies openly, which is essential for KPA system to stabilize.
5. There has been tendency for appraisee to appraise himself out of proportion to his overall performance and for the appraiser to become a conformist in his approach.

6. As the KPA-linked PAS has no stabilized, its coverage could not be extended to all other managerial positions in the organization. It could not be extended to managerial positions above the level of Dy. General Managers. As a result two sets of reporting systems continue to exist.

The bank, in a Top Management Conference held at Mumbai in December 1998, decided to constitute a Working Group comprising Top Executives to study in depth the different dimensions of PAS report writing and review system as they existed in the Bank.

The Central Management Committee (CENMAC) in the meeting held on 25th January 1993, decided to introduce a new performance appraisal system called ‘Assignment Appraisal Report (AAR)’ which was made applicable to all officers from the year 1992-93.

The highlights of the new system, which covers all roles and all officers except Probationary and Trainee Officers, are as under:-

1. there is only one reporting system covering all officers. The Assignment Appraisal, which was hitherto compiled separately at the time of promotion, would become part of the format.

2. The format (AAF) is data based and comprehensive.

3. The Assignment Appraisal is an annual exercise there by obviating the need for complication of reports, years later by officials not knowing the appraisee.

4. The rating is by marking system.

5. There is provision for self-appraisal.
6. The format has been devised in such a way that reviewing authority will have to specifically record agreement and also potentialities and accord final judgmental rating.

7. There is also provision for Standing Review Committee at various levels so as to have a second review which should help to place all assignments for comparison under one single umbrella. This will also help to apply uniform norms to ensure fairness and remove aberrations/arbitrariness/inconsistencies, if any in reporting and reviewing styles and it is summarized in Table 5.3

<table>
<thead>
<tr>
<th>AARF</th>
<th>Nature of the form and applicable to:-</th>
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</thead>
<tbody>
<tr>
<td>I</td>
<td>Bio-data form for all officers.</td>
</tr>
<tr>
<td>II</td>
<td>Self-appraisal form applicable to all officers.</td>
</tr>
<tr>
<td>III</td>
<td>Applicable for only those officers who have budgetary responsibilities. Such as Branch managers, Managers of Divisions, Regional managers and Deputy General managers in charge of Zonal Offices etc. Part A: Data on Business Performance. (Max. marks - 40). Part B: Qualitative aspects of performance. (Max. marks - 20).</td>
</tr>
<tr>
<td>III A</td>
<td>Applicable in respect of officers not having budgetary responsibility working at branches, planning/operational and the other assignments in Zonal Officers and Central office. Part A: Particulars of Key Responsibility Areas (KRA) (Max. marks - 40) Part B: Qualitative aspects of performance. (Max. marks - 20)</td>
</tr>
<tr>
<td>IV</td>
<td>Only for JMGS I and MMGS II officers Part A: Attributes based appraisal (Max. marks - 20)</td>
</tr>
<tr>
<td>IV A</td>
<td>For officers in MMGS III and above. Part A: Attribute based appraisal (Max. marks - 20)</td>
</tr>
<tr>
<td>IV/IV A</td>
<td>Part B: General comments on strengths, weaknesses and potential (Max. marks - 20)</td>
</tr>
<tr>
<td>V</td>
<td>Summary of ratings on AARF III/III-A &amp; AARF IV/IV-A (Max. marks - 100)</td>
</tr>
<tr>
<td>VI</td>
<td>Form for the use of the Reviewing Authority</td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matter, VOL I, 2003]

Reviewing Authority may independently work out the ratings and accord his own quantum of marks. Where he differs from Reporting Authority he has to furnish reasons. Apart from giving marks Reviewing Authority has to give comments on potential and training needs of the officer.
5.6.1 Data on Business Performance

Rating is made on the basis achievement vis-à-vis budgetary target on the following 5-point scale details listed in table 5.4.

<table>
<thead>
<tr>
<th>E</th>
<th>Excellent</th>
<th>Achievement of goals for growth to the extent of 100% and above</th>
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<tbody>
<tr>
<td>2</td>
<td>G</td>
<td>Good 90% of above but below 100%</td>
</tr>
<tr>
<td>3</td>
<td>AA</td>
<td>Above Average 70% of above but below 90%</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
<td>Average 60% of above but below 70%</td>
</tr>
<tr>
<td>5</td>
<td>U</td>
<td>Unsatisfactory Below 60%</td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matter, Vol I, 2003]

The linkage made between ratings and percentages of budgeted growth achieved are applicable only in normal circumstances. Reporting Authorities have the discretion and freedom to accord ratings taking totality of circumstance into account. But the ratings should be justified with proper reasons.

5.6.2 Key Responsibility Areas (KRAs)

A set of KRAs for various roles at branches and administrative offices have been spelt out by the bank to enable the reporting authority to evaluate the relevant aspects of qualitative performance of the appraisee. KRAs are not necessarily static. The Bank has to conduct constant review of KRAs of various roles so as to make them relevant to changing situation and maintain the competitive edge. The Reporting Authority should, therefore, have a full grasp of the bank’s commitments and the various corporate concerns so that subordinates can be properly guided and appraised in their performance. Reporting Authority should also have a clear perception of skill dimensions required for various roles in the Bank so that he can comment meaningfully on appropriateness of placement, identification of potential and skillful management of available resources.
5.6.3 Qualitative aspects of performance

All the qualitative aspects may not be applicable in all cases. Similarly, there may be other aspects relevant individual cases, which may be covered under item- “Any other significant performance/lapse.” Reporting Authority may use the suggested parameters as aids for assessing officers and give the overall assessment on a 5-point scale the details listed in table 5.5.

Table 5.5
Qualitative aspects of performance:-5-point scale

<table>
<thead>
<tr>
<th></th>
<th>Part A</th>
<th>Part B</th>
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<tbody>
<tr>
<td>1.</td>
<td>E Excellent</td>
<td>31 to 40 marks</td>
</tr>
<tr>
<td>2.</td>
<td>G Good</td>
<td>21 to 30 marks</td>
</tr>
<tr>
<td>3.</td>
<td>AA Above Average</td>
<td>11 to 20 marks</td>
</tr>
<tr>
<td>4.</td>
<td>A Average</td>
<td>01 to 10 marks</td>
</tr>
<tr>
<td>5.</td>
<td>U Unsatisfactory</td>
<td>0</td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matter, Vol I, 2003]

5.6.4 Parameters of qualitative aspects:

It implies contribution in the areas like House Keeping, Inspection & audit rating. Follow up of audit report, customer service and complaints, submission of returns, Quality of correspondence and promptness, management of NPAs, appraisal, supervision, Industrial Relations and Follow up of credit etc.

5.6.5 Attributes based appraisal: For Junior Management and Middle Management Scale II Officers.

It contains specific observations on - ‘Knowledge of work, work procedures & rules, initiative, commitment to task and achievement motivation, conceptual abilities and responsiveness to corporate concerns, flexibility of mind, decision making and analytical skills, problem solving abilities, understanding of environment business opportunities and competitive forces, control and supervision. Marketing skills, development of juniors motivation, training, delegation, integrity and
intellectual honesty, impartiality and magnanimity, personality, emotional strength and health, dependability, relationships with public and image building and quality of appraisal of juniors’

5.6.7 Attributes based appraisal: For Middle management Scale III and above Officers.

It contains specific observations on ‘nature and quality of work, quality of output, knowledge of work, technical skill and specialized Knowledge, analytical skills and decision making abilities, planning and developmental initiatives and skills, management team building and leadership qualities, communication skills, appraising abilities (business), appraising abilities (environment and competition) and marketing skills, appraising abilities (personnel management and ability to develop and appraise juniors assessment of self-appraisal, problem solving abilities and achievement orientation, relationship with public and image building, contribution to Corporate policies, aptitude, integrity, creative and innovative abilities, emotional strength, commitment to social objectives, delegation, general suitability for higher position.

5.7 How the PAS Function

1. Every officer is given an opportunity to write about his/her performance during the period under review through Self Appraisal form (AARF II). This form is to be submitted within one month from the date of report i.e. 31st March every year. Though it is expected that every officer should submit this form, it is optional.

2. Assessment of the performance of the officers having budgetary and operational responsibilities will be done one the business data (AARF III). In case of other officers the assessment of the performance will be based on the predetermined KRAs.

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3. The Data Processing Centre at LHO will maintain data on business performance based on the P (performance) forms submitted by the branches. This data will be made available to both the appraisee as well as the appraiser.

4. The overall rating of the performance to be done on a 5-point scale which then be converted into marks.

5. There is no settlement of KRAs/ Quantitative aspects etc. However, the appraiser gives out normally his expectations to the appraisee periodically. It is desired that the procedure will be formalized and adequate communication takes place both verbal and written.

6. When there is a change of controller during the year, only the controller, present, as on 31st march only will write the report based on comments recorded by the earlier controller. Similarly when the officer is transferred mid-year, the appraiser controlling the officer for the longer period during the year will record his assessment and forward it to the subsequent controller.

7. It is necessary that the Reviewing Authority maintain contact with the appraised during branch visits or otherwise, so that he can make objectives and independent review of his performance. The business data and the self-appraisal are useful tools for such review but personal contact is helpful.

5.7.1 Rating-used at present: The parameters for ratings have since been reduced to four:

1. AARF III A: Excellent (31 to 40), Good (21 to 30), above average (11 to 20), Poor (10 & below).

2. AARF II A: (qualitative aspects of performance):- Excellent (16 to 20), Good (11 to 15), above average (6 to 10), Poor (5 & below).
3. AARF IV A: Attribute based appraisal:- Excellent (16 to 20), Good (11 to 15), Above average (6 to 10), Poor (5 & below)

4. General Comments: Excellent (16 to 20), Good (11 to 15), Above average (6 to 10), Poor (5 & below).

<table>
<thead>
<tr>
<th>FORM/RATING</th>
<th>REPORTING AUTHORITY</th>
<th>REVIEWING AUTHORITY</th>
<th>APPROVING AUTHORITY</th>
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</thead>
<tbody>
<tr>
<td>Form III A</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>A-KRA/Business performance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(Maximum marks-40)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>B-qualitative aspects</td>
<td></td>
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<tr>
<td>(Maximum marks-20)</td>
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<tr>
<td>Form IV</td>
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<tr>
<td>A-Attributes based appraisal</td>
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</tr>
<tr>
<td>(maximum marks-20)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-General comments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Maximum marks-20)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Handbook on staff matters, VoL, 1, 2003)

In case, 100 marks are given, 3 concrete data based examples of outstanding performance are to be quoted. Reviewing authority and Approving authority are to furnish comments whenever there is some disagreement with the Reporting authority and reviewing authority respectively. There is provision for providing ratings of the Repartee Officer for the last three years, which enables Reviewing/Approving authority to correct biasness, if any, of the Reporting authority.

5.8 Performance Appraisal of Award Staff

There has been no structured performance appraisal form for award staff till the year 2000. In the respective service sheet as on 31st March, the controller had to give his observations on 'work' and 'conduct' of the concerned staff, on the scale 'Excellent', 'good', 'Above average', and 'Poor'. The ratings hardly had any bearing on the promotion of award staff.
However, the settlement dated 12th April 1999, entered into with All India State Bank of India Staff Federation on ‘Promotional Avenues and Career Progression for Workmen staff’ provides for assigning marks for performance appraisal of employees. Ten marks out of a total of 100 marks have been earmarked for ‘performance Appraisal’ for promotions under Merit/Merit-cum-seniority channels.

For the purpose a format has been devised for reporting on “Work” and “conduct” of the award staff under the following parameters:-

1. Punctuality and leave discipline.
2. Quality of work.
3. Conduct and behavior.
   a. With customers.
   b. With colleagues.
   c. With seniors
4. Special contribution to work/business, if any,
5. General remarks.

Out of a maximum of 10 marks, 2 marks each (no fraction) can be given under the 5 parameters (including 2 marks for ‘general remarks’ covering potentials etc.), which are not covered under any of the other specified parameters.

Hitherto, the reports were to be written by the branch Manager/Head of the department and there was no system of ‘review’. In the new system, the report is to be reviewed by the next higher authority in cases where an employee secures the maximum 10 marks or less then 5 marks. Specific reasons are to be recorded in cases where less then 5 marks or maximum of 10 marks are awarded by the reporting
authority. Similarly the reviewing authority should also give his also for concurring of differing, as the case may be, with the marks awarded by the reporting authority.

If an employee's work or conducts have not been satisfactory, this should be indicated in the report starting the exact nature of shortcomings, whether they have already been communicated to him, in writing and if so, with what effect, quoting a reference to the letter received from the controlling authority in this regard. No adverse remark about work and conduct of an employee should be entered in the report without approval of the controlling authority and without advising the employee in writing. The new system has come into force with effect from 31.3.2000.

Over the years, the bank has made lot of experiments with the performance appraisal system and made efforts to bring out objectivity in the assessment. However, subjectivity is yet to be reduced. It is also extremely difficult to launch a full proof appraisal system in large organization like SBI. In this context, findings of a study made by G.V.V. Vijay Kumar are of relevance. According to the study, “the appraisal procedures in the Indian organization are still to a large extent conventional and as such neither the criteria nor the purpose of the same do actually provide for any employee development in the organizational context and it conforms with the observations of the related studies made by Malati, Bolar, Iswar Dayal, Rudra Basava Raj. (Vijaya Kumar, 1990). In this backdrop, it is worth while to assess the views of employees of SBM, on the Bank's existing performance appraisal system.

5.9 Career Progression

Motivation is essential for effective performance; there are quite a number of theories on motivation. Essence of all these theories is that people are motivated when experience with a work is satisfactory and they are de-motivated when the
experience is just opposite. The following factors will help the employee to work with satisfaction.

1. Well-articulated and communicated career plan.

2. Transparency in career plan.

3. Higher assignment associated with wider span of control, prestige etc.

4. Assignments with scope for more personal growth.

5. Team work and effective leadership.

6. Harmony in work place.

On the contrary the following factors de-motivate employees in their work:-

1. Leadership style is coercive in nature where the leaders manipulate by divide and rule police, who make promises but forget that at appropriate time.

2. Leaders themselves avoiding work themselves but passing on the same to the subordinates and find fault with the latter.

3. Employees are being engaged in jobs that are inferior to their knowledge and skill.

4. Sincere workers are being loaded with more and more work, which appears to them as exploitative in nature.

Career planning in the SBM, focuses on the satisfying factors and also aims at elimination of the dissatisfying ones with an ultimate objective of synchronizing individual employee’s aspiration with organization’s objectives. An effective career planning takes into account these factors and chalks out a series of job sequences / roles though which every employee has to move through in his service life. Though career planning does not guarantee promotion or success, it enables him to know where he is expected to be after certain years of service provided the laid conditions are fulfilled. As an example, in Indian civil service an officer, knows at the time of
his joining that within 3 to 5 years he will get his first promotion. Within 10 to 12 years he will be deputy secretary and joint secretary with 17 to 18 years of service. Thereafter promotion will depend on seniority, merit etc. As life cycle, there are various phases of career development in the Bank and which starts with initiation phase.

5.9.1 **Initiation or Exploratory phase:** It starts with the joining of an employee in an organization. He finds many things different from his known environment. There are some elements of anxiety. In large organizations, his position is just like a baby in woods. He explores and he learns new culture and new job, acquires new knowledge and new skills.

5.9.2 **Stabilization phase:** Slowly he adopts himself with organization and his position stabilizes. He moves towards career progression through different assignments and promotions.

5.9.3 **Maintenance phase:** This phase is important because of 'mid-life crises. After initial growth at this phase large numbers of employees start stagnating in their career. Unless they continuously update themselves, they experience stress because of the changes in environment as well as in work place. Most of them prefer status in quo and try to maintain the reputation they have established. Organizations are to makes special efforts to motivate them to perform better at this stage.

5.9.4 **Declining phase:** Employees enter this phase before retirement. Organizations, at this phase conduct special programmes for retiring employees. Post retirement, resettlement courses are also conducted by many organizations. (Pattanaik, 1990).
5.9.5 Employee Motivation during maintenance and declining phases

In both of these phases, career progression by way of promotion starts for a large number of employees. Organizations are required to develop new methods to motivate them and get best out of that as are adopted by a few:

1. The employees can be trained in special programmes conducted, either by external or internal consultants to reorient their expectations and thereby reduce frustration and feeling of hurt.

2. They can be inducted in various task force, study in, committee etc. which would satisfy their social and esteem needs.

3. Employees can be assisted by the organization to choose new career, start own business, deputation to important subsidiaries etc.

4. Employees can also be given some alternative important assignment by overseas posting etc.

Nevertheless, like an organization itself, each employee has his unique personality, physical and mental parameters, which include likes and dislikes. As the organization through its articulated policies, plans and objectives communicates its expectations from the employees, the latter also express their expectations from the organization in various ways. A career plan can be effective only when, these are matched and compatibility is achieved.

In the absence of adequate promotion opportunities, employees are bound to feel dissatisfied and frustrated. (Bansal, 1991). Way back in 1964, the estimate committee of the parliament observed that, many capable persons leave while the less capable stay on the grumble when promotion opportunities are inadequate. It is, therefore essential for every public enterprise to formulate such a promotion policy as may
inspire confidence among employees and avoid criticism.(estimate committee report, 1964).

5.10 Career Planning in SBM: Career progression for officers

The post nationalization period during 70's and early 80's witnessed massive branch expansion and consequent large-scale recruitment and promotion. A job in bank was perceived as a lucrative one for career progression. The merit students opted for banking services and took it as lifetime employment with adequate opportunity for growth.

However, during the late 80s and early 90s, banking industry shifted focus from expansion to consolidation that resulted into shrinkage in promotion opportunities. In this backdrop in 1991, SBM introduced a new promotion policy.

Promotion to all grades of officers in the bank is made in accordance with the policy laid down by the central board or the executive committee of the central board from time to time. However, for promotion to MMGS II and MMGS III, the bank constituted a joint promotion committee with the representative's from the bank and the All India State Bank Officers federation to examine the policy and suggest modification as considered necessary. On the basis of its recommendations, the Executive Committee of the Central Board has approved the following in 1991.

5.10.1 Promotion to Middle Management Grade-Scale II-Deputy Manager:
There are two channels known as normal and Examination channels. Promotion will be in the ratio of 65:35 of the total vacancies between these two channels. The details of the process are given in table 5.7.
Table 5.7
Eligibility criteria for promotion from Junior Management Scale I to Middle Management Scale II

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Normal Channel</th>
<th>Examination channel</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Length of service</strong></td>
<td>10 years in JMGS</td>
<td>6 years in JMGS</td>
</tr>
<tr>
<td><strong>Operational Experience</strong></td>
<td>Should complete 1 year any of the following: Cash Officer Field Officer Accountant System administrator Project Officer in C&amp;C Branch Manager of SABs</td>
<td>Same as normal channel</td>
</tr>
<tr>
<td><strong>Rural service</strong></td>
<td>Should complete 2 years in a rural branch</td>
<td>Same as normal channel</td>
</tr>
<tr>
<td><strong>Zone of Consideration</strong></td>
<td>All officers who qualify in terms of service eligibility</td>
<td>Same as normal channel</td>
</tr>
<tr>
<td><strong>Zone of section</strong></td>
<td>All officers in zone of consideration shall be evaluated on prescribed parameters. On the basis of the marks secured by the officers, in performance appraisal the no. of vacancies earmarked for normal channel from the zone of selection</td>
<td>All officers in zone of consideration are called for Written exam. On the basis of the marks secured, officers equal to 3 times the no. of vacancies Under the channel from the zone of selection.</td>
</tr>
<tr>
<td><strong>Interview</strong></td>
<td>All officers in zone of selection are interviewed for final selection</td>
<td>Same as normal channel</td>
</tr>
<tr>
<td><strong>No. of chances</strong></td>
<td>Four times. However, 2 additional chances are given after 2 years from the last chance.</td>
<td>No restriction in No. of chances.</td>
</tr>
<tr>
<td><strong>Written exam.</strong></td>
<td>--</td>
<td>30 marks</td>
</tr>
<tr>
<td><strong>Performance Last 3 years</strong></td>
<td>50 marks</td>
<td>20 marks</td>
</tr>
<tr>
<td><strong>Confidential report (3 year)</strong></td>
<td>20 marks</td>
<td>20 marks</td>
</tr>
<tr>
<td><strong>CAIIP: (5 for each part)</strong></td>
<td>10 marks</td>
<td>10 marks</td>
</tr>
<tr>
<td><strong>Interview</strong></td>
<td>20 marks</td>
<td>20 marks</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100 marks</td>
<td>100 marks</td>
</tr>
</tbody>
</table>


**SC/ST officers:** All SC/ST officers in the zone of consideration who are senior enough to be within the number of vacancies earmarked separately for each channel will be placed in the select list. The officers in such list will not be subjected
to interview. They have to face the examination with following pattern in the context of special dive in SBM.

Table 5.8

<table>
<thead>
<tr>
<th>Part</th>
<th>Type of question</th>
<th>Max. marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Multiple choice</td>
<td>40</td>
</tr>
<tr>
<td>B.</td>
<td>Questions covering rationales</td>
<td>40</td>
</tr>
<tr>
<td>C.</td>
<td>Short notes</td>
<td>30</td>
</tr>
<tr>
<td>D.</td>
<td>In depth questions</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>


Table 5.9

<table>
<thead>
<tr>
<th>Part</th>
<th>Type of question</th>
<th>Max. marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Communication</td>
<td>10</td>
</tr>
<tr>
<td>B.</td>
<td>Comprehension (Multiple choice)</td>
<td>5</td>
</tr>
<tr>
<td>C.</td>
<td>Problem solving /decision making</td>
<td>25</td>
</tr>
<tr>
<td>D.</td>
<td>General awareness</td>
<td>10</td>
</tr>
<tr>
<td>E.</td>
<td>Visualization</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>60</td>
</tr>
</tbody>
</table>

(Source: Handbook on staff matters, Vol 1, 2003)

General Manager (D&PB) is the promotion authority and the Circle Chief General Manager is the Appellate Authority against non-promotion.

Separate dispensation: The Bank approved a scheme for promotion to MMGS II for those officers who were appointed/promoted in JMGS I between 1.10.79 and 31.12.80 but still continuing in JMGS I, subject to the condition that the total no. of officers found promotable shall not exceed 50% of the available vacancies in the ‘Normal Channel’ and the promotion exercise will be completed in a span of four years from 1996 to 1999. 25% of the eligible was to be considered in each of the four years.

5.10.2 Promotion to MMGS III – Manager: Eligibility: All officers in MMGS III are eligible subjected to fulfillment of the following conditions:-

1. Completed 3 years of service in MMGS II with both parts of CAIIB.
2. Completed 4 years of service in MMGS II with part I of CAIIB.
3. Completed 5 year of service in MMGS II without CAIIB qualification.
5.10.3 **Mandatory Rural/Semi-urban service**: As per the guidelines of the Government of the India, an officer in MMGS II will have to complete 3 years service in a rural and/or semi-urban branch.

5.10.3 **Mandatory line assignment**: The officer will have to complete satisfactorily assignment as Branch Manager or Manager of a Business Division with budgetary responsibilities for a minimum period of 2 years.

5.10.4 **Zone of consideration**: All officers in MMGS II fulfilling the service eligibility criteria constitute the zone of selection.

5.10.5 **Zone of selection**: All Officers in the Zone of consideration are evaluated on the following prescribed parameters and no. of officers equal to 3 times of the vacancies will constitute the Zone of selection.

5.10.6 **Parameters for the Zone of selection**: Evaluation is made on the basis of parameters of the performance in the assignment held during the past 4 years and ratings earned in Annual Appraisal Reports for the same 4 years on the basis of the marks awarded by the Evaluation Committee in terms of the prescribed scoring system.

5.10.6 **Interview**: All officers in the zone of selection are called for interviews.

5.10.7 **Final selection**: On the basis of total marks obtained under the laid down parameters final merit list is drawn and cut off mark fixed, taking into account the no. of vacancies. However, the cut-off marks cannot be lower than 55% of the total marks. General Manager (D & PB) is the promoting and appointing authority in respect of promotion to MMGS III and the Chief General Manager is the appellate authority.
5.11 Promotion to senior Management Scale (SMGS) IV – Chief Manager

5.11.1 Eligibility:

All officers who have completed 4 years service in MMGS III are eligible provided they have completed assignment as Branch Manager for 2 years or Branch Inspector for 3 years.

5.11.2 Zone of consideration:

All officers who fulfill the service eligibility criteria constitute the zone of consideration. The table 5.10 explains the details of parameters for assessment of officers.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Parameters</th>
<th>Maximum marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Performance</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>Ratings earned under reporting system</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>Assessment of traits</td>
<td>20</td>
</tr>
<tr>
<td>4.</td>
<td>Interview</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matters, Vol 1.2007]

5.11.3 Evaluation committee: An evaluation committee constituted for the purpose, evaluates all officers in the zone of consideration on the first three parameters. For evaluation, performance of the concerned officers and the ratings earned under reporting system in the proceeding 4 years and assessment on traits by the recommending Authority are taken into account. On the basis of the marks awarded by the Evaluation Committee the cut-off mark is determined in such a manner that the number of officers normally not exceeding 4 times the number of vacancies and scoring not less than 70% marks would constitute the ‘Zone of selection’.

Interview: - A committee comprising one Chief General Manager as Chairman and two General Managers as members calls all officers in the Zone of selection for interview. The minimum qualifying marks in interview is 50 percent.
Final selection: After taking into account the marks obtained under the various parameters, a merit list is prepared and cut-off mark is determined depending upon the number of vacancies. For promotion to SMGS IV, the Chief General Manager is the promotion/appointing authority and the Deputy Managing Director & Corporate Development Officer, the appellate authority.

5.12 Promotion to SMGS V (Assistant General Manager)

Same as that of promotion to SMGS IV subject to the condition that the concerned officer will have to put in 4 years service in SMGS IV. There is no condition for completion of particular assignment and the Interview Committee comprise One Deputy Managing Director as Chairman and two Chief General Managers as Members.

5.13 Promotion to Top Executive Grades from Deputy General Manager onwards up to Deputy Managing Director

The Central Board of the Bank in its meeting on 20.2.1997 approved the following Executive Selection System (ESS) applicable to all promotions to DGM and above grades in the Bank listed in table 5.11

Table 5.11

<table>
<thead>
<tr>
<th>Promotion from</th>
<th>Promotion to</th>
<th>Service eligibility criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asst. General Manager</td>
<td>Deputy General manager</td>
<td>3 years</td>
</tr>
<tr>
<td>Deputy General Manager</td>
<td>General Manager</td>
<td>3 years</td>
</tr>
<tr>
<td>General manager</td>
<td>Chief General Manager</td>
<td>2 years</td>
</tr>
<tr>
<td>Chief General Manager</td>
<td>Dy. Managing Director</td>
<td>1 year</td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matters, Vol 1.2007]
However, in all the cases, a minimum 2 residual service should be left before retirement of the concerned officials. Moreover, officers who have been called for interview on three occasions, for promotion would be debarred from consideration for one year. After that he will get three more chances. Not appearing for interview for any reasons, would however, be counted as a chance.

**Zone of consideration:** It shall consists of all the repeaters i.e. officials in the qualifying grade who were not selected earlier, provided that they have not become ineligible meantime on account of exhausting three chances and lack of 2 years of residual service or initiation /contemplation of disciplinary proceedings, plus candidates from fresh batch if otherwise eligible, taken in order to seniority equal to two times the number of existing vacancies and vacancies likely to arise in the financial year. The batches may split for this purpose, if need be. However, amongst the fresher, all officers who have identical seniority as that of the officer standing at the last number of vacancies are included.

**Promotion Appraisal:** Promotion appraisal forms are prepare in respect of all officers in the Zone of Consideration for promotion upto and including the CGM grade. No evaluation for promotion to the grade of Deputy Managing Director is required. A committee called evaluation committee evaluates the promotion appraisal forms.

**Zone of selection:** For promotion upto and including CGM grades, the officers in the Zone of consideration who have secured 75% or more marks in the evaluation exercise will constitute the Zone of selection. In respect of promotion to DMD grade, all officers in the Zone of consideration are automatically qualify for inclusion in the Zone of selection as there is no evaluation exercise.
Potential/personality Assessment: For promotion to DGM to GM, all officers in the Zone of selection are interviewed to assess their potentiality and personality traits by an Interview Committee. A merit list is prepared on the basis of marks obtained in performance appraisal and interactive session in groups and/or interview individually.

5.14 For Promotion to CGM and DGM grades: The directors promotion Committee (DPC) meet the candidates in the Zone of selection in interactive sessions in groups and/or individually and assess the potential and vision of the eligible officers. The DPC consists of the following members:

1. Chairman of the Bank.
3. Government of India’s nominee on the Central Board.
4. RBI’s nominee on the Central Board.
5. One Director of the Central Board to be nominated by the Central Board.
6. Two external experts, renowned in the fields of Academics, Administration / Management to be nominated by the Central Board.

The table 5.12 reveals that the criteria for various specialist officers either regular cadre or direct recruit officers.

<table>
<thead>
<tr>
<th>Promotion to</th>
<th>For converted officers from Regular cadre</th>
<th>For directly recruited/Promoted officers</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMGS II</td>
<td>9 years service as JMGS I including probation period</td>
<td>9 years service as JMGS I including probation period</td>
</tr>
<tr>
<td>MMGS III</td>
<td>5 years in MMGS II and 14 Year’s total service</td>
<td>5 years service in MMGS II</td>
</tr>
<tr>
<td>SMGS IV</td>
<td>4-years in MMGS III And 18 years total service</td>
<td>4 years in MMGS III</td>
</tr>
<tr>
<td>SMGS V</td>
<td>4-years in SMGS IV And 22 years of service</td>
<td>4 years in SMGS IV</td>
</tr>
</tbody>
</table>

5.15 Career progression for award staff

In the Bank, so far as career progression is considered, a clerical staff had the following options.

1. Could appear for Trainee Officer Examination after completion of 4 years of confirmed service provided he has passed Part-I of the CAIIB examination.

2. Could appear at examination for promotion to junior management grade after putting in on an average 13 - 15 years of service.

3. Can get a few allowances carrying positions like Teller, Head Assistant etc. depending upon the length of service and vacancy position and ultimately retire from the same position.

Similarly, a messenger could appear at the test for promotion to the post of clerk and cashier provided he clears 10th standard examination. Otherwise on attaining sufficient seniority he may retire as Jamadar - the Head Messenger.

In 1999, the bank introduced a new career path for the award staff. Its background paper postulates as follows:

"With the gradual slowing down of branch expansion, promotional opportunities for workmen staff have dwindled in the last decade due to a sense of dissatisfaction among aspiring employees. It has been observed that in the first 20 years candidates with good academic records have been joining the Bank service after qualifying in the rigorous test conducted by the Banking Service Recruitment Boards. These employees have aspiration progression. The staff federation has been requesting the Bank for quite sometime to make necessary changes in the policy for promotion of clerical staff to Junior Management Grade as officers and sub-ordinate staff to clerical cadre to match the changing needs of Bank and the employee profile."
and also to formulate an assured career progression scheme providing for a time bound movement to higher positions within – the cadre.

With a view to having the issues relating to promotions and avenues for career progression examined in detail, a committee was constituted in 1997 with representatives of the Bank, the staff Federation and an academician of repute from the TATA Institute of Social Sciences, Mumbai as a professor expert. The committee submitted the report in 1998. After series of discussion for nine months with the Staff Federation, the policy for out-of cadre and within – cadre was approved by the Executive Committee of the Central Board on 9.4.1999 and settlement thereon entered into with the staff Federation on 12.4.1999. The new policy became effective with effect from 1.4.1999.

5.16 Salient features of the new Career Path: Out–of-cadre promotion

1. Instead of linking the number of candidates to be called for the test, to the number of vacancies as in the past in respect of regular merit-cum seniority channels for senior employees, a minimum service has been prescribed in order to provide opportunities to a large number of employees to compete for promotion.

2. In order to provide weightage for service rendered by senior employees, marks are assigned for length of service in promotion through merit – cum –seniority channel.

3. For the first time marks will be assigned for performance appraisal of workmen and staff for promotions.

4. In order to encourage employees serving in rural centres, bonus marks, as an incentive are assigned in the promotion exercise for service rendered in rural branches.
5. A provision has been made for assigning marks for additional. Professional qualifications like MBA/CA/ICWA/CS and CAIIB in merit channel promotions.

6. In respect of promotion to the specialized cadre as Computer Programmer cum Operators an aptitude test is introduced in view of the requirement of knowledge in computer course.

7. A provision has been made to announce the marks secured by the candidates in the written test for promotion, to enable the employees to improve their performance. It is clarified that no representation whatsoever for re-checking/revaluation of answer papers, comparison of performance of an unsuccessful employee with a successful employee in the final list of promotions based on the difference in their marks in written test etc. shall be entertained.

8. At the time of determining eligibility for interview, all candidates securing marks equivalent to the cut-off marks should be called for interview even though in the process, the total number of candidates may exceed the permissible ratio.

9. In case, more than one candidate secures equal/same mark in the final merit list against the last vacancy, all such candidates will be promoted.

5.17 Within cadre career progression

1. All employees shall be becomes “Senior Assistant” carrying a special allowance on completion of 17 years of service in the clerical cadre. Their services can be utilized in both clerical and cash departments, at the front office counters/terminals and back office desks depending upon requirement. They will be required to perform the work so far being done by Head Assistants, Tellers and computer operators.

2. The Senior Assistant can be transferred to any branch/office within the geographical limits of a Zonal office.
3. On completion of 25 years of service in the clerical cadre, the employees will be appointed as "Special Assistant" and paid a special allowance. They will transform duties of Special Assistants / workmen Head Cashiers as per the circular dated 15th March 1993. They are eligible to transfer to any branch within the geographical limit of a Zonal office.

4. Appointment of computer operator to be made on the basis of an aptitude test to the clerical staff. Appointment will be made on the basis of seniority of the candidates qualifying in the aptitude test and the employees selected will be posted anywhere in the Zone.

5. In the sub-ordinate cadre, all full time employees with 17 years of full time service will be appointed as "Head Messengers / Head Armed Guard /Head Sweepers etc. with a special allowance. These employees are eligible to transfer to any branch /office within the geographical area of a zone.

6. On completion of 25 years of service the full time sub-ordinate employees will be appointed to positions such as "Senior Head Messengers / Senior Head Sweepers etc. with a special allowance and they are liable to transfer to any branch / office within the Zone.

The objective of the policy is to facilitate I) Mobility, II) Flexibility and III) Productivity and ensure optimum utilization of its vast human resources and to improve functioning of the branches and envisages strict adherence to the following guidelines:

1. A list of all eligible employees who have completed 17 - 25 years of service in the respective cadres as on first April every year is to be prepared Zone-wise.

2. The branches, which are facing acute shortage of staff, especially in rural and semi-urban centres, are to be identified and their requirement should be assessed.
3. Looking into the need, of the employees eligible for appointment as Senior Assistants and Special Assistants are to be distributed equitable among all the Regions / branches with due priority given to Regions having large number of rural and semi-urban branches.

4. The staff requirement at the fully computerized branches is to be assessed first and the same is to be taken into account before posting of Senior Assistant to/from these branches.

5. No officiating opportunities are to be given in case of Head Assistants, Senior Assistants, Special Assistants, proceed on leave or otherwise absent themselves from duty. The work will be redistributed among other Senior Assistants, Special Assistants, Officer (JM Grades) as the case may be. Similarly no officiating is permitted in the sub-ordinate cadre positions also.

6. The employees appointed as Senior Assistant / Special Assistants should be promptly relieved so that they can take up their new appointment before or Branch Managers for retention at the Branch/Office should be entertained. This should be strictly monitored by the DGM of the concerned zone. In case an appointment, should be withdrawn promptly and he should be advised of his stand, in writing, in terms of the provisions of the settlement.

7. The members of the Circle/Working/Executive/Central Committee of the recognized Circle Unions and council members of the staff federation, who are presently eligible for special casual leave, may be posted at the same center, during the term of their office, on appointment to higher positions.

8. The provision for transfer on higher appointment is intended to meet the requirements of the Bank. The provision, therefore, has to be made use of in a
judicious, objective and fair manner by following well-defined and transparent criteria without causing undue hardships to the employees concerned.

9. Any eligible employee refusing to accept the appointment as ‘Senior Assistant/Special Assistant’ for whatever reason will not be considered for such appointment for a period of 3 years from first April of the relevant year. Similarly employee refusing to accept appointment as Computer Operators will be debarred from such appointment for 3 years from the date of such refusal and will have to again qualify in the Aptitude Test to be eligible for the appointment.

5.18 Policy for promotion from clerical cadre to junior management grade

All clerical cadre employees with minimum qualifications of matriculation (excluding Record Keepers, Record Keepers-cum-Cashiers, Godown Keepers, bill Collectors) and with a minimum service as given below are eligible to appear for the test:

**Bonus marks for rural service:** One mark for every completed year of service put in by the candidate in a rural branch subject to a maximum of 5 marks (for 5 years of rural service). There is no limit for chances, and to chances. And to qualify for interview a candidate will have to secure a minimum of 24 marks out of 60 in the written test.

**Seniority channel:** 10 percent of the posts earmarked for promotion under Merit-cum Seniority channel will be set aside for an exclusive seniority channel. Promotion as against these posts will be made through an interview to be conducted for the candidates who cross the stipulated upper age limit of 50 – 55 years as the case may be. The upper age limit for General /SC-ST candidates shall be 52 - 57 respectively.

**Merit channel- Trainee Officer: Eligibility criteria**
Minimum qualification: - Graduation and Part -1 of CAIIB or Matriculation with both part of CAIIB or graduation with a pass in intermediate examination of ACA/ICWA/ACS or ACA/ICWA/ACs the eligibility norms listed in table 5.13 and 5.14.

**Table 5.13**

<table>
<thead>
<tr>
<th>Minimum Service</th>
<th>Age Limit</th>
<th>Type of examination</th>
<th>Allocation of Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Candidates</td>
<td>14 years 50 years</td>
<td>Written test</td>
<td>60</td>
</tr>
<tr>
<td>Schedule Caste</td>
<td>12 years 55 years</td>
<td>Performance Appraisal</td>
<td>10</td>
</tr>
<tr>
<td>Schedule Tribe</td>
<td>6 years 55 years</td>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Length of service</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>


*2 marks for every completed year of service beyond 15 years subject to a maximum of 20 marks.

**Table 5.14**

<table>
<thead>
<tr>
<th>Minimum Service</th>
<th>Age Limit</th>
<th>Type of examination</th>
<th>Allocation of marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Candidates</td>
<td>4 years 40 years</td>
<td>Written Test</td>
<td>70</td>
</tr>
<tr>
<td>Schedule Caste</td>
<td>4 years 45 years</td>
<td>Performance appraisal</td>
<td>10</td>
</tr>
<tr>
<td>Schedule Tribe</td>
<td>4 years 45 years</td>
<td>Interview</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAIIB part II</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professional Qualifications such as ACA/ICWA/MBA/ACs</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>


Based on the performance in the written test, candidates are called for interview in the ratio of 3 candidates for every 2 vacancies, from among the candidates who secure the qualifying marks of 28 out of 70 in the written test in the order of merit and there is no limit on the number of chances. A candidate may appear for the test as many times as he wants till such time he reaches the prescribed age limit.

The candidates are to be subjected to an 'Aptitude Test', administered by a Professional Organization in the field such as IBPS, a written test in General...
banking/General Knowledge and Interview. Only those candidates who are found suitable in the Aptitude test securing at least 55 percent marks will be considered and their test papers evaluated. All other candidates will be eliminated. The eligibility for promotion as computer programmer – cum – clerical cadre the minimum qualifications given in tables 5.15 and 5.16.

**Table 5.15**

<table>
<thead>
<tr>
<th>Eligibility criteria for promotion as Computer Programmers –cum- Operators: Minimum qualifications are graduation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum service</td>
</tr>
<tr>
<td>General Candidates</td>
</tr>
<tr>
<td>Schedule Caste</td>
</tr>
<tr>
<td>Schedule Tribe</td>
</tr>
<tr>
<td>CAIIB part II</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matters, Vol. 1, 2007]

**5.19 Policy for promotion from sub-ordinate to clerical cadre- merit Channel-Matriculation Standard-Eligibility:**

Permanent full time employees with 5 years of service and matriculation or equivalent qualification are eligible for appearing at the written test. Evaluation is made on the basis of total 100 marks allocated.

**Table 5.16**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Mode of test</th>
<th>Maximum marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Written test</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>Additional qualification: Graduation and/or CAIIB</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Performance appraisal</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

[Source: Handbook on staff matters, Vol. 1, 2007]
Regular Channel (Merit-Cum-Seniority): Record Keepers-cum-Cashiers:

Eligibility:

Permanent full time employees with 8 years of service and qualification of 8\textsuperscript{th} standard pass are eligible for the written test with no limit on the number of vacancies. The mode of test and distribution of marks for promotion for record keepers – cum-cashier details shown in table 5.17.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Parameters</th>
<th>Maximum marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Written test</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>Length of service</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Performance appraisal</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Interview</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

(Source: Handbook on staff matters, Vol. 1, 2007)

**Bonus marks for rural service:** One mark for every completed year of service put in by the candidate in a rural branch subject to a maximum of 5 marks (for 5 years of rural service).

**Requirement of minimum marks:** To qualify for interview a candidate will have to secure a minimum of 24 marks out of 60 in the written test. The table 5.18 reveals the in cadre movement in career path all India level position wise listed in table 5.18.

<table>
<thead>
<tr>
<th>POST CATEGORY</th>
<th>ELIGIBLE</th>
<th>APPOINTED</th>
<th>DECLINED</th>
<th>SAME CENTRE</th>
<th>OUTSIDE CENTRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Asstt.</td>
<td>890</td>
<td>623 (70%)</td>
<td>225 (36.11%)</td>
<td>265</td>
<td>133</td>
</tr>
<tr>
<td>Senior Asstt.</td>
<td>1423</td>
<td>726 (51.02%)</td>
<td>87 (11.98%)</td>
<td>479</td>
<td>160</td>
</tr>
<tr>
<td>Sr. Head / Head Mess</td>
<td>1148</td>
<td>620 (54.01%)</td>
<td>25 (4.03%)</td>
<td>476</td>
<td>119</td>
</tr>
</tbody>
</table>

Table 5.18

In-cadre movement in career path-all Indian position
Seniority channel: 10 percent of the posts earmarked for promotion under merit-cum seniority channel are to be set aside for an exclusive seniority channel. Promotions against these posts are to be made through an interview to be conducted for the candidates who attain the age of 58 years. Interestingly, the data indicates that not all eligible staff has issued orders of posting and despite instructions to the contrary, postings have been made at the same centre.

In cadre movement of staff at Bengaluru Circle, the details given in Table 5.19.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. Head/Messenger</td>
<td>180</td>
<td>23</td>
<td>180</td>
<td>-</td>
<td>-</td>
<td>180</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sr. Asst.</td>
<td>97</td>
<td>190</td>
<td>97</td>
<td>190</td>
<td>8</td>
<td>14</td>
<td>85</td>
<td>180</td>
<td>12</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sp. Asst.</td>
<td>154</td>
<td>10</td>
<td>154</td>
<td>10</td>
<td>15</td>
<td>3</td>
<td>124</td>
<td>10</td>
<td>18</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Above Table 5.19 reveals that for Bengaluru circle too, not all eligible staff has been issued orders of posting and despite instructions to the contrary, postings have been made at the same centre.

5.20 Career/succession plan

Placement

The bank emphasizes that placement of officers in a systematic manner is of utmost important and placement decision is to be taken based on the career growth needs of the officers and the skill requirement of each role for which an appropriate training inventory is to be maintained. Staff Colleges conduct certain special programmes and who participate in such programmes should be placed in positions for a few years, which have relevance to the kind of training received by them, subject of course, to other placement stipulation.
Skill inventory/Potential Evaluation

Critical positions in the circle up to the SMGS V level are to be identified. Criticality would be from the angle of potential for growth and profit and also the special skills required in relation to those critical positions. Officials in the circle particularly in Grades III to V should be listed whose:

1. Proficiency in one or more critical skills has been established beyond doubt before the Circle Management.

2. Track record is excellent.

3. Intelligence, capabilities / anticipation, general caliber and levels of applications are of high order and throw up signals of clear potential for further honing of existing skills and acquisition of new skills.

When assessing an officer under: a) above i.e. critical skills, particulars of assignment held, special responsibilities/ tasks handled etc. should be furnished, for, b) details regarding how the officer acquainted himself with the critical assignment can be submitted and c) does not admit much corroborative information but is vital in that the circle management committee can give a detailed normative assessment so that the exercise does not degenerate to a mechanical one, invoicing involving merely to comparison and categorization of officials in terms of assignment held and AARs received.

Inventories should be prepared both on the basis of the individual officers and also on the basis of skills. An official who has acquired or has potential for acquiring more than one skill should be listed in the corresponding skill inventories as also in the manpower inventory with his skills and potentialities listed against his name. These would be two sets of list-one listing officers’ grade-wise under each skill/
potentialities and other listing officers categorized grade-wise with different skills/potentialities mentioned against their names. Both sets of lists should be reviewed and updated once in a year and sent to central office. On the basis of these lists, a 'Succession plan' covering a 10-12 years period should be evolved.

**Nurturing Leadership: Career Graph of select Promising Officers**

As is observed from Central Office/Head Office instructions dated 11.12.2002, the bank is contemplating to give more attention to career graph of promising officers i.e. "catch them young" right from the early stage in their career to groom them properly through a combination of balanced exposure to various operational assignment supported by appropriate training interventions. According to the Bank, the career graph of select promising officers are as follows.

1. HR issues are to ensure professionalism in management processes at all levels of the organizational hierarchy so that the functionaries respond to the challenges in the environment—both internal and external, with requisite competence and creditability,

2. Need is to develop a cadre of officers who are techno-savvy and totally customer focused, but above all who are professional in their attitude and who display the leadership traits.

**For the purpose the target group will be:**

1. Officers, who in terms of age profile, performance record, professional skills personality traits and potential can reasonably aspire to reach the top slot in the management structure.
2. The section could take place at level of Junior Management and Senior Management Grade Scale -V Stage i.e. before entry into Top Executive Grade.

The Bank envisages that a long drawn process of balanced exposure intersperse with appropriate training interventions focused on functional as well as management / executive development at critical junctures shall serve twin purpose of developing requisite skills/ competencies for critical functions at various levels and succession planning for critical roles.

It also believes that the remaining officers outside the select group will not feel alienated because:

1. The procedure would be transparent and envisage more meaningful use of placement decisions to develop balanced skill sets over a period of time.

2. The focus would be developmental and not necessarily promotional.

3. The procedure does not differentiate among different class of officers. Anyone who enters officer’s cadre by 26 years automatically comes within the focus Groups at the first stage and is provided with special developmental opportunities.

4. As the number of such officers will be small, other officers will also be able to get desirable assignments.

5. This would help in translating into concrete action the corporate intention of encouraging meritocracy that is a major imperative in the age of savage Competition.
However, the Bank is of the opinion that to achieve these objectives effectively, there is need to initiate policy changes covering the entire spectrum of HRM such as recruitment policy, compensation structure, career progression etc.

5.21 Promotion Policy-Stagnation among employees

While the last decade has witnessed virtually zero growth in branch expansion, a re-categorization of branches with effect from 1.4.1996, further brought down the incumbency levels that has resulted into severe stagnation among all categories of officer can has adversely affected their morale. A recent study made in Bengaluru Circle reveals that highest number of respondents ranked stagnation in career as the most important factor leading to their option for VRS (Raghava, Ananthanarayanan, Pavan Kumar, 2002). In this back drop, the Bank has come out with a new approach paper towards promotion, which suggests:-

"An ideal promotion policy is one where then on promoted officers feel that more deserving one is promoted. Viewed in this context, the basic problem in extent promotion policy is the highly inverse proportion between eligible number of candidates and vacancies. As there is little or no scope for increasing number of vacancies to improve upon the ratio, under the circumstances only option is to introduce rigorous promotion policy/process so that those who have not been promoted feel that more deserving once only are promoted.

Second, the age profile of the officers indicates that the Bank is ageing. A majority of officers in the top executive grade are over 50 years of age. If the trend is allowed to continue, the Bank may have to face a situation where there may be a dearth of senior officers with sufficient service left. Further, there may be a regular
outflow of officers, especially in the senior management grades due to lack of opportunities for further growth and career progression. The situation for effective succession planning lies in introducing a faster promotion channel for officers who are both knowledgeable and high performers. Third, while is no denying the fact that merit should be rewarded, seniority is not underestimated. While enthusiasm flows with young age, in many cases, the maturity flows with seniority. Thus, the Bank needs to have a balance between the merit and the seniority. Fourth, of the total number of officers about 85% are in Scale I to III. The interest and aspirations of officers in Scale I to III must be kept in view to ensure that the promotion policy is acceptable to these officers. In short, the suggested modifications must meet the organizational requirements as also the aspirations of the individual officer”. (Head Office letter dt.22.12.2002)

Though there is a loud thinking of a new promotion policy in the Bank, it will take some time to chalk out and implement the same. Nevertheless, a mere change in promotion policy is not a solution to the existing stagnation in the organization.

In nutshell, it is observed that SBM is fully aware of the need of a suitable of career plan for all categories of employees and making experiments to optimize the same too. It will be worthwhile to ascertain the views of employees on this aspect.

5.22 Conclusions:

Even though the Bank is having well structured performance appraisal and career progression many of the employees are marginally satisfied with the objectivity of the performance appraisal. They also believe that performance appraisal is treated more as a confidential report than as an instrument of open communication. Settlement of KRA is rarely done mutually which indicates that the
system is a closed one. The staff are also marginally satisfied with the present review system and feel that the performance appraisal is not adequate to serve its purpose. The direct recruit officers, officers in middle / senior management and top executive grade and senior employees who have put in more than 30 years of service are more dissatisfied with the objectivity and efficiency of the present performance appraisal system.

Further the staff have strong reservation on linkage of performance appraisal system too. It is a common perception that the same is mostly used for promotion and hardly taken into consideration for training need assessment, placement and identification for reward and recognition. The senior employees above 50 years of age, the recruit officers, officers in senior management level and those who have put in more than 30 years of service are more critical about the present system of linkage of performance appraisal with the other sub-system of HRD. There is a need for change in the performance appraisal to meet the changing situation in present banking system in general and State Bank of Mysore in particular.

References


