

**EMPLOYEE PERFORMANCE APPRAISAL,  
REWARDS & RECOGNITIONS – A CASE STUDY  
OF BARCLAYS BANK OF GHANA LIMITED**

by

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# KNUST

**COVER PAGE**



## CERTIFICATION

I hereby declare that this submission is my own work towards the CEMBA and that, to the best of my knowledge, it contains no material which is previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **DEDICATION**

I dedicate this work to my wife Mrs. Evelyn Emefa Horsoo and my daughter Elorm Awo Horsoo.

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## **ABSTRACT**

Few issues in management stir up more controversy than performance appraisal. There are many reputable sources - researchers, management commentators, and psychometricians - who have expressed doubts about the validity and reliability of the performance appraisal process. Some have even suggested that the process is so inherently flawed such that it may be impossible to perfect it. Performance appraisal - whatever its practical flaws - is the only process available to help achieve fair, decent and consistent reward outcomes. An attempt was made to find out what employees feel about the whole process of Performance Appraisal (as part of Performance Development [PD]) and how it is practiced as well as how it is linked to rewards and recognitions in Barclays Bank of Ghana. Questionnaires were administered to the Retail Function employees only, using a combination of techniques; simple random sampling, purposive sampling and quota sampling. Secondary data on PD were reviewed and Management of the Bank was contacted through the Human Resource Department to show how the PD system should work and how it feels about employee satisfaction as far as PD is concerned. Data was analyzed using qualitative and quantitative techniques as appropriate. From results obtained, employees made it clear that line managers do not always carry out the face to face appraisals or reviews and feed backs not given after such sessions. They were with the views that, instead of making the PD process a developmental tool to enhance performance, it has been turned into a discriminatory, punitive and/ or judgmental process, where cronyism and biased considerations dominate rather than objectivity. While Management of the Bank rated the PD process as very effective, employees think otherwise and stated among other things that they are

rather demoralized and demotivated by the way appraisals are carried out and fed into the PD process for rewards and recognitions. Staff are not satisfied while Management insists there is everything in place to make them satisfied. These show the break in communication as far as Performance Development is concerned, between Management of the Bank and employees. It was then recommended that monitoring measures be put in place to ensure that the right things are done and line managers carry out the face to face review discussions and provide feedback to team mates as well as ensure team work by making all staff aware of the performance improvement measures available to poor or low performers. These among others would go a long way to help in the achievement of organizational goal, of becoming the best retail and commercial bank in the industry in Ghana.



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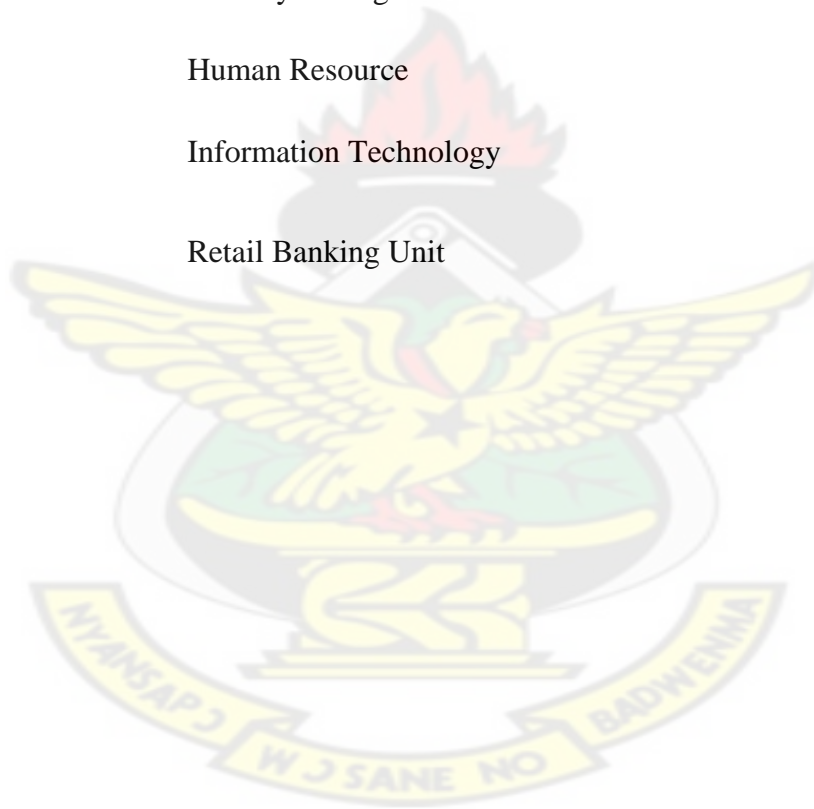
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## **ABBREVIATIONS USED**

PA	Performance Appraisal.
PD	Performance Development.
SMART	Specific, Measurable, Achievable, Realistic and Time bound.
MBO	Management By Objectives.
PIP	Performance Improvement Programme
CMC	Country Management Committee
HR	Human Resource
IT	Information Technology
RBU	Retail Banking Unit



## **APPENDICES**

Appendix I	Performance development checklist (Barclays Bank)
Appendix II	The Big Picture of Performance Development
Appendix III	The Guiding Principles
Appendix IV	A Typical Barclays Bank of Ghana PD Template
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## **APPENDICES**

### **Appendix I: Performance development checklist (Barclays Bank)**

The PD process forms an integral part of the remuneration process in Barclays, determining the level of pay and bonus awards. It is, therefore, essential that members fully participate in the process ensuring that they are happy with the outcomes at all times but especially the annual review.

#### **Annual Review**

As the time approaches for your annual review, we would urge members to adopt the following approach to ensure a successful outcome to their review. Remember this is your review, you need to take ownership and be well-prepared and should be given fair notice of the date of the review, at least 48 hours. Ensure that you have all your evidence prepared and with you so that a fair discussion on all aspects of your work takes place. The meeting should take place in a private room or area with no interruptions, including phone calls to either party. The process is a two way discussion and should be carried out face-to-face. Ensure that both behaviours and deliverables are properly taken into account. You must see the team leader's comments before the review is complete. You should take the opportunity to give your comments on the form. Only sign off your review if you UNDERSTAND and AGREE with it. If you cannot agree to the review with your team leader, ask for an adjournment; take time to consider the matter further before a reconvened meeting. If in doubt, contact your local rep. If you still do not agree with the rating then you must use the Bank's laid down grievance procedure but this must be started WITHIN 10 DAYS of the date of the review.

## **Impact of Sickness on PD**

Members should be assessed for the periods they are at work and, therefore, sickness should have no direct impact on their rating. However, sickness may have an impact on bonus payments depending on the length of absence. Individual day's absence should have no impact unless attendance targets, where set, are missed; this will impact on bonus payments but failing these targets by themselves should not result in a 'D' assessment. For sickness periods of more than 20 consecutive days then Barclays will pro rate bonus payments accordingly. In these cases members should ensure their targets are altered accordingly. Where members are off sick for the majority of the performance period, then it is normal to assume a 'C' rating.

## **PD Review & Consistency Checking**

At the annual review a provisional rating will be given, this will go forward to be checked by Barclays for consistency across the business area. It should be confirmed to members during January, that any alteration to the rating can be challenged within 10 days of receipt.

## **Personal Improvement Plans**

Increasingly, in the target driven environment in Barclays, members are finding that they are being placed on PIP's to improve their performance. We offer the following guidance to members to assist them through this process. A PIP is a developmental and supportive tool, which is designed to assist and support staff buck up to an acceptable level of performance. Crucially this is about improving performance, it is not about

catching up on missed objectives, PIP targets cannot exceed original targets set through PD. Notwithstanding this, however, members should be aware of the implications of not achieving the required standards, which are a fair capability hearing, which may lead to a formal warning but would certainly not lead to immediate downgrading or dismissal. The PIP should be achievable, with not more than 3 or 4 areas set for improvement, which are agreed on by both the manager and the employee. These improvements should be clear and easy to comprehend, aimed at improving the performance in steps over a period of time to the standards set in the original PD. This is a two way process so there must be a commitment from team leaders or managers to assist the member of staff and this should include regular meetings, coaching and if necessary, further training.

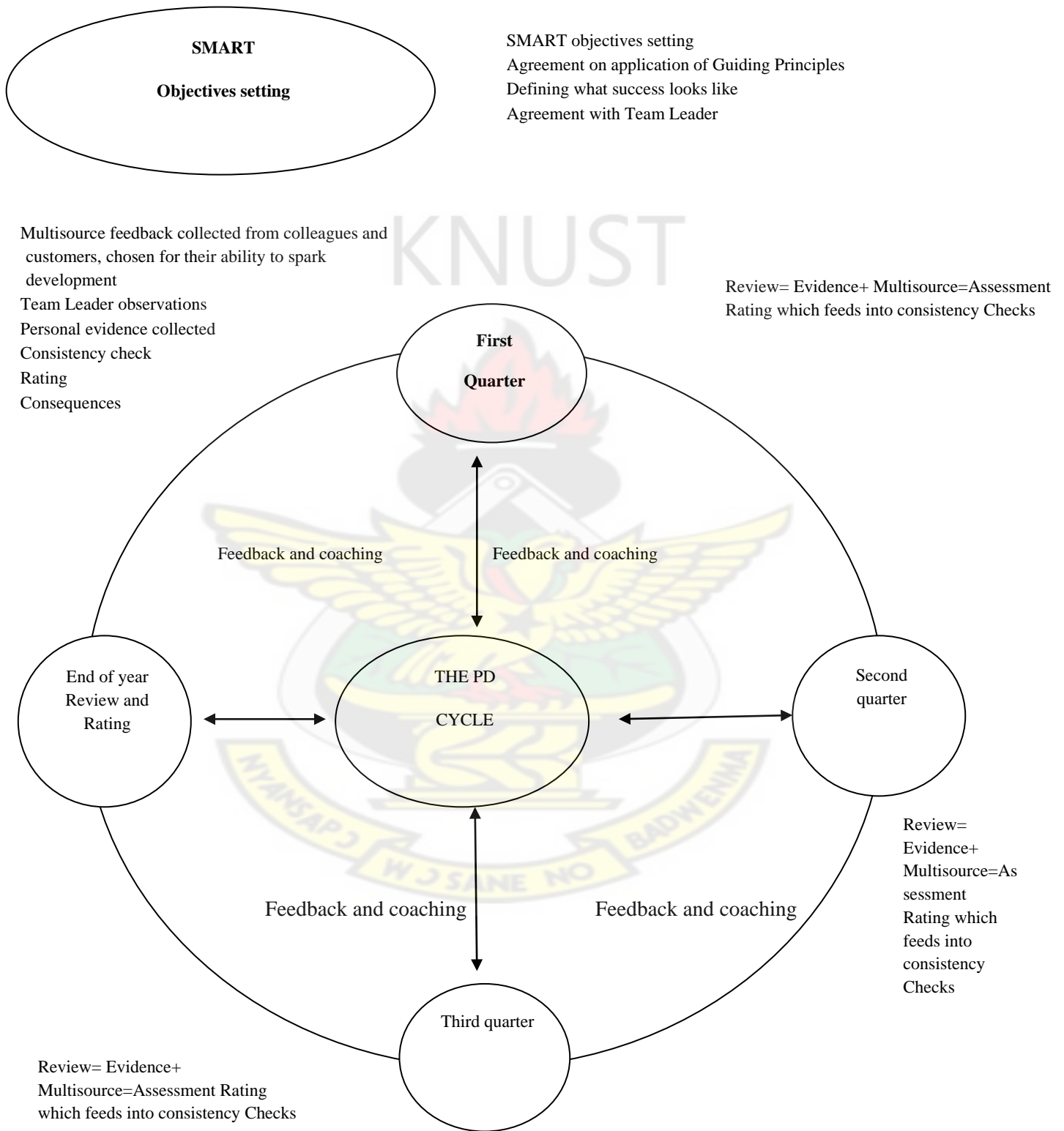
The meeting to set up a PIP should not be conducted at the same time as a performance review. We also recommend that our members take away the PIP from the initial meeting and be given at least 24 hours to review it before agreeing to the content. The plan needs to be given a realistic and reasonable amount of time to be achieved; Amicus recommends that it should not be for less than 3 months. During the regular reviews, notes should be kept and meetings should recognize the progress that has been made. Not achieving the absolute goals should not be automatically regarded as failure of the PIP. If positive progress has been made towards the set standards, then a further PIP can be set.

### **PIP Completion Guidance**

This process is designed to be supportive, primarily aimed at improving an individual's standard of performance or record of attendance. However, it sets out a framework

allowing the manager to take formal disciplinary steps, should the informal action of a PIP not prove successful. For this reason, it is imperative that members ensure that the PIP is set up correctly, consider that it is fair and provides them with the level of support required to improve their performance. The following checklist should be followed to ensure proper completion of a PIP. Ensure the meeting takes place in a private room and that you have been given at least 48 hours notice, identifying the areas of underperformance, so you can properly prepare. The PIP should not normally be conducted at the same time as your PD review. Discuss with your manager any personal factors, which are affecting your performance, in particular any health issues or anything that may need to be considered under the Disability Discrimination Act. Ensure your manager is setting clear standards and objectives for the plan, which are linked to your current PD. The objectives should be aimed at improving your current performance level over a period of time to the standards set in your original PD. We would recommend that a PIP should be for a minimum of 2-3 months with regular reviews, weekly if possible. Ensure that your manager also commits to any training, coaching and support you require to improve your performance. This is essential to the commitment that the process is supportive and designed to help you. Take time to consider the PIP, do not sign it immediately, take at least 24 hours to consider the content, seek advice from your union rep if you are unsure of any aspect. Ensure thorough notes are kept of the PIP and any reviews that take place. Ensure your manager gives you a copy of the Problem Solving at Work and guide to Disciplinary actions. (Source: [www.barclays.com](http://www.barclays.com))

## Appendix II: The Big Picture of Performance Development (Source: PD Learner Guide)



### **Appendix III: The Guiding Principles**

- Winning together - Deliver results repeatedly, drive winning performance, work in partnership to get results.
- Customer/ Client focus – delivers world class service to customers and clients (internal and external)
- Best people - obsessive about attracting and developing talent, constantly raises the bar, builds teams, promotes diversity, creates a sense of excitement.
- Pioneering - challenge conventional thinking, has ideas and is innovative, demonstrates drive and persistence.
- Trusted – delivers on commitments and acts with integrity.



**Appendix: IV: A Typical Barclays Bank of Ghana PD Template**

Name

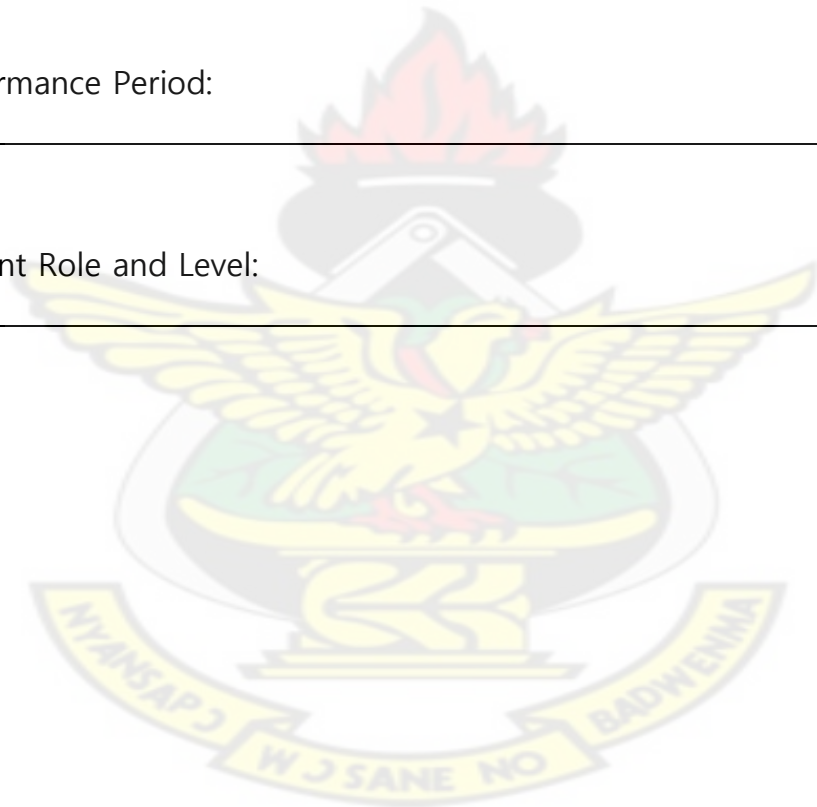
---

Performance Period:

---

Current Role and Level:

---





## Performance Development Plan

Name and dept:

Team leader's name:

### SMART\*Objectives – i.e. my role in achieving overall business objectives

(\* Specific, Measurable, Accurate, Realistic, Time bound)

#### Key Value Driver (KVD) 1 - Company 10%

[Objectives] **Aggressively grow our business by achieving income targets, monitoring and reducing bad costs whilst adhering to risk & rigour policies**

- ✚ Achieve sales leads and service targets as detailed on the personal target
- ✚ Avoid income leakage by collection of commissions as per tariff guide. E.g Refer-to charges, Bank cheque charges, Statement requests

#### KVD 2 – Customer 40%

[Objectives] **To create excellent customer experiences, matching products / services with customer needs and getting it right first time**

- ✚ Score minimum of 95% in all attributes of customer service measured by touch pad feedback system .
- ✚ Perform an average of 120 transactions per day.
- ✚ Ensure that customer queries and complaints are recorded, owned and resolved within SLA of 72 hrs.
- ✚ Ensure Adherence to the Complaints Management and Handling Procedures .
- ✚ Ensure that customers instructions are processed within SLA (1 day)
- ✚ Ensure adherence to Dress Code, CorporateWear , Name badges, customer confidentiality, tidyness etc

#### KVD 3 – Colleague 10%

[Objectives] **Developing ourselves and our colleagues to create a culture of High Performance and involvement in recognition schemes**

- ✚ Actively promote Brainwaves, Eagle Awards by nominating good performers and contributing personally to these initiatives.
- ✚ Active participation in Team Meetings and Morning huddles

#### KVD 4 – Control 40%

- ✚ [Objectives] Focus on value adding activities and ensuring that laid down procedures are being followed in accordance with all governance standards
- ✚ Ensure Zero cash differences
- ✚ Ensure that cards, cheque books, and other controlled stationery in your care are controlled as per Rigour requirements.
- ✚ Ensure 100% adherence to laid down procedures, governance and controls.
- ✚ Ensure that work for submission for processing is ready for pick up at agreed times
- ✚ **Work towards achieving 100% satisfactory audits** with no unsatisfactory in your area of responsibility i.e.
  - nil til differences,
  - sign for keys and stamps in appropriate registers,
  - should not expose your password to other members of staff.
- ✚ Completion of mandatory Risk Awareness Training (RAT)e.g KYC, STM
- ✚ Fully embed operational rigour with all checks carried out in my area of responsibility i.e
  - Process customer instructions IMOs (ensuring that return for destroyed IMO is submitted), drafts, TTs, Transfers, Filing of Foreign related work on a
- ✚ Refer all credits to staff accounts to the Retail Manager
- ✚ 100% adherence to agreed internal deadlines which apply to my area of responsibility i.e. Processing of clearances, customer

#### KVD 5 – Community 5%

[Objectives] **Actively participate in making a positive difference to our Communities**

- ✚ Fully support Retail community initiatives
- ✚ Active participation in MADD, Cedi for Cedi matching schemes
- ✚ Support colleagues/branch in community events



**Guiding Principles – i.e. how I approach my work**

(Write a paragraph defining what each GP means in your role and how success will be defined)

**Winning together** – e.g. acts in a way that promotes the whole of BA&IO as well as own area

**Customer focus** – e.g. goes out of his/her way to provide excellent customer service

**Best people** – e.g. actively builds relationships and constantly seeks to improve both own and colleagues performance

**Pioneering** – e.g. challenges conventional thinking, strives to innovate and hatch new ideas, demonstrates drive and persistence

**Trusted** – e.g. delivers on commitments and acts with integrity

**Comments to support assessment**

Team leader comments

My comments

<b>Overall rating (A-D) _____ (Rating)</b> <b>Only to be entered following the BA&amp;IO Consistency Review</b>		
A	Significantly exceeds performance criteria in most areas.	Your signature _____
B	Consistently meets performance criteria / exceeds performance criteria in some areas	
C	Meets basic minimum performance criteria / significant improvement required	Team leader 's signature_____
D	Does not meet performance criteria	

### Individual Development Plan of Action

In this section, please include actions to be taken to support your development, as discussed with your team leader. If there are any additional comments regarding your performance, record them in this section. Team leaders can make use of Edugate, Barclays online course selection and booking tool, schedule training according to needs defined. Your HR Business Partner can also assist you with any additional development requirements.

	<i>Areas of improvements</i>	<i>Strengths, Key Abilities and Experience</i>
CURRENT ROLE		
DESIRED CAREER DIRECTION (to be completed at the discretion of the individual)		

## Appendix V: Questionnaires Used

### QUESTIONNAIRE

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This questionnaire is designed to ascertain information for purely academic purposes. This is to enable **STERLINGTON KOFI HORSOO JNR.**, a final year student of the Institute of Distance Learning of the Kwame Nkrumah University of Science and Technology, Kumasi, complete his thesis on the topic; **EMPLOYEE PERFORMANCE APPRAISAL, REWARDS AND RECOGNITIONS, A CASE STUDY OF BARCLAYS BANK OF GHANA LIMITED**, in pursuant of Commonwealth Executive Master of Business Administration degree.

NB. All information gathered here would be treated with utmost confidentiality. Thank you.

☐

#### SECTION A

##### **BASIC DEMORGRAPHIC DATA** (Tick where appropriate.)

1. How old are you? (Years)

- |                |                |                |
|----------------|----------------|----------------|
| a. 18 – 25 ( ) | b. 26 – 35 ( ) | c. 36 – 45 ( ) |
| d. 46 – 55 ( ) | e. 56- 59 ( )  |                |

2. Gender;

- |                                      |  |
|--------------------------------------|--|
| a. <input type="checkbox"/> Male ( ) | b. <input type="checkbox"/> Female ( ) |
|--------------------------------------|--|

3. Educational Background;

- |                            |                                |
|----------------------------|--------------------------------|
| a. Senior High School ( )  | b. Higher National Diploma ( ) |
| c. First Degree ( )        | d. Masters Degree ( )          |
| e. Professional Degree ( ) | f. Doctorate Degree ( )        |
| g. Other ( ).....          |                                |

## **SECTION B**

### **INFORMATION ON PERFORMANCE APPRAISAL/PD AND REWARDS/RECOGNITIONS**

4. What is your rank in Barclays Bank?

- a. ☐ B1 ( )                      b. ☐ B2 ( )                      c. ☐ B3 ( )  
d. ☐ B4 ( )                      e. ☐ B5 ( )                      f. ☐ Other ( )  
specify.....

5. How long have you been working in Barclays Bank of Ghana?

- a. Less than a year ( )                      b. 1 - 5 years ( )                      c. ☐ 6 – 9 years  
( )  
d. 10 – 14 years ( )                      e. 15 – 19 years ( )                      f. 20 -24 ( )  
g. More than 25 years ( )

6. Have you ever had your performance appraised/reviewed since joining Barclays Bank?

- a. ☐ Yes ( )                      b. ☐ No ( )

7. If yes, to question (6), how long ago?

- a. 1–6 months ( )                      b. 6 – 12 months ( )  
c. 1-3years ( )                      d. More than 4 years ( )

8. How often is your performance appraised or reviewed?

- a. Every month ( )                      b. Quarterly ( )  
c. Half yearly ( )                      d. Yearly ( )

9. Were you given any formal PD training/coaching before your first performance appraisal/review?

- a. ☐ Yes ( )                      b. ☐ No ( )

10. Do you always have a face-to-face meeting with your Line Manager or Team Leader during the appraisal/ PD review sections?

- a. ☐ Yes ( )                      b. ☐ No ( )

c. ☐ Sometimes ( )

d. ☐ Other ( ) .....

11. How would you have loved your performance appraisal done in the last quarter with your line Manager?

.....

Was it so?

.....

12. How often do you get feedback from your Line Manager after an appraisal or performance development meeting?

a. ☐ Consistently ( )

b. ☐ Not often ( )

c. ☐ Never ( )

13. Are you motivated by and satisfied with the appraisal or the whole performance development process in Barclays Bank to put much more into your work?

a. ☐ Yes ( )

b. ☐ No ( )

14. How do you perceive performance appraisal or performance development, as being practised in Barclays Bank of Ghana?

a. developmental ( )

b. judgmental ( )

c. punitive ( )

d. Other ( ) .....

15. Are you aware of how consistency check is carried out to determine your annual grading?

a. ☐ Yes ( )

b. ☐ No ( )

16. Has the appraisal /review meeting ever dampened your spirit and affected your morale and demotivated you?

a. Yes ( )

b. No ( )

17. Does the appraisal or the whole Performance Development process offer you the opportunity to identify any potential you have for development?

a. Yes ( )

b. No ( )

18. Is performance appraisal or PD linked with salary increase, promotion and payment of bonus in Barclays Bank?

a. ☐ Yes ( )

b. ☐ No ( )

a. ☐ Yes ()                      b. ☐ No ()

a. ☐ Yes ( )                      b. ☐ No ( )

.....

a. ☐ Yes ( )                      b. ☐ No ( )

- It must be maintained the way it is ( )
- It should be reviewed to benefit everyone ( )
- Rewards and recognitions should not be attached to it ( )
- It should be abolished completely ( )

a. ☐ Yes ( )                      b. ☐ No ( )

a. Leave the Bank ( )                      b. Not give your best at work ( )

c. Others ( ) (specify) .....

**SCHEDULED INTERVIEW QUESTIONS FOR MANAGEMENT OF  
BARCLAYS BANK OF GHANA LIMITED**

**Fill in the blank spaces and tick the appropriate check boxes.**

Rank .....

Department .....

1. What does the Performance Appraisal mean to Barclays Bank as part of the Performance Development process?  
.....
2. How does one achieve his/her goals in the PD process? How is the process related to organizational goals?  
.....
3. Describe the PD process as prescribed for implementation in Barclays Bank of Ghana. Could you please make available to me documents relating to the PD process?  
.....
4. Which method of appraisal is applied in the PD process of the Bank? Rating Scale, Essay or the MBO (Management By Objectives) method?  
.....
5. Are all employees trained before any appraisal is conducted for the first time? If no, why?.....
6. How often is the appraisal conducted in the Bank? How effective is this process?  
.....
7. What are the rating scales used and what are their interpretations?  
.....
8. Could you specify the rewards and recognitions available? Which rewards and/or recognitions go with the various ratings?  
.....



9. In your opinion, are staff satisfied with the system used in assessing their performance in the Bank? Yes ( ) No ( )

How?.....

10. Is the implementation of the PD process monitored to ensure that it is practised as prescribed so that Line Managers do not victimize subordinates? What is the monitoring mechanism used?

.....

11. Are staff of the Bank made aware of how consistency check is carried out? Is it a way of cutting down the number of people who get rewarded?

.....

12. In your assessment, has the Performance Development process impacted on staff motivation? Could you please specify in terms of contribution to;

a. Increased individual productivity .....

b. Training in terms of numbers.....

c. Counselling in terms of numbers.....

d. Perception of fairness in the appraisal process.....

e.

13. What impact has the appraisal system in use made on the achievement of the Bank's goals and objectives in Ghana, in your opinion?

.....

14. Do you think performance development/appraisal policy in the Bank is being implemented well? Yes ( ) No ( )

.....

15. In the banking industry today, is Barclays Bank the best in; every product, every market, every customer, every time?

.....



## Appendix VI: Key Value Drivers

- Customer - help our customers achieve their ambitions.
- Colleague - help our people grow.
- Community – partner to help Africa and its people develop.
- Company – commit to accelerated investment in our African business.
- Control – practice world class risk management.



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background Information

The success of every organization, public or private, depends largely on the availability and quality of well-motivated human resource. Financial motivation and other forms of motivation in the form of rewards and recognitions are used by organizations such as Barclays Bank of Ghana Limited to achieve higher productivity. It is believed that, money is a crucial factor in motivating people in organizations, of which Barclays is no exception. Most companies are able to meet set targets or even exceed because they have attractive reward and recognition systems for employees (Maund, 2001).

Organizations are now more focused on the need to get more from their employees if they are to achieve organizational objectives. Accurate appraisals are crucial for the evaluation of recruitment, selection, and training procedures that lead to improved performance. Appraisal can determine training needs and occasionally, counselling needs. It can also increase employee motivation through the feedback process and may provide an evaluation of working conditions, thus, improving employee productivity, by encouraging the strong areas and modifying the weak ones. When effective, the appraisal process reinforces the individual's sense of personal worth and assists in developing his/her aspirations. According to Maund (2001), *“Appraisal is the analysis of the successes and failures of an employee and the assessment of their suitability for training and promotion in the future and Performance Appraisal was introduced in the early 1970s in an attempt to put formal and systematic framework on*

*what was formerly a casual issue*”. Torrington and Hall (1998) indicated that appraisal can be used to improve current performance, provide feedback, increase motivation, identify training needs, identify potentials, let individuals know what is expected of them, focus on career development, award salary increases, and solve job problems. They further stated that performance appraisals help in a very practical way to manage an organization’s staff effectively. They allow one to know; what employees have achieved and can achieve, know what employees’ weaknesses are, understand how each employee’s role fits into the overall business, compare the efficiency of different staff members, set realistic goals and identify ways business can be expanded or enhanced. They allow staff to; feel valued, understand what is expected of them, understand the business they are involved in, understand their weaknesses, identify their strengths, identify areas they need further training in as well as offer opinions and insights that may improve the business as a whole.

Employee Performance Appraisal, which provides basis for Performance Management or Performance Development [PD], was introduced in Barclays Bank as a goal-oriented tool to guide individual performance on the job and to recognize performance at all levels of employment. Performance Development is based on meeting individual role and business requirements and facilitates improved communication and understanding between team leaders and team mates. Performance Development is designed to enable Barclays to recognize and reward top performance. It encourages dialogue between employees and their managers, focusing on both results and importantly, on the values and standards summarized in the Barclays Behaviours.

(Barclays PD Learner Guide). This study is designed to investigate the Appraisal procedure(s) and practices and their link to rewards and recognitions in Barclays Bank of Ghana.

## **1.2 Problem statement**

According to Maund (2001), “employees see a poorly conducted appraisal interview as being worse than not having an interview at all”. Ideally, the record of the interview should be written on a special performance appraisal form that is signed by the manager, the employee and often a senior manager. It is good practice to allow the employee to see the completed form and add any comment (s). In Barclays, one method used to get feedback from colleagues of the appraisees is the 360 degrees feedback system and performance appraisal is done quarterly as part of the performance development process.

According to some staff of Barclays Bank, employee performance appraisal or performance development is practised in ways which may create the impression that one can be victimized easily by a team leader/superior. Barclays Bank of Ghana, with about two thousand (2000) employees, works with targets which are given to each and every business unit. These targets are cascaded down to all branches and departments. They are then distributed among staff of the branches and used to appraise each staff on quarterly bases. At the end of each year, an end-of-year review is carried out and a consistency check performed for the year under review. Staff ability to achieve their target(s) is taken through the consistency check for the four quarters of the year and used

to determine what each individual staff gets in terms of end-of-year bonus selection for interview and subsequently promotions, such that, falling short of some ratings makes one ineligible to such benefits. Getting ratings of A or B gives one the chance to have these rewards or benefits while getting ratings of C, D or any other rate leaves one completely out of these rewards. Coaching programmes are supposed to be put in place to help non-performers catch up and enhance further performance of achievers. However, this is hardly carried out, as is the view of some employees. According to them, the items outlined in PD documents are hardly practised as Line Managers do not conduct face to face interview with staff always. They did their own thing and told subordinates what ratings they got, later on. Some also went to the extent of only asking subordinates to sign the PD documents when an official is expected from the head office or elsewhere on a visit.

### **1.3 Research Objectives**

This research is to review the performance appraisal process of Barclays Bank and also seek the opinion of staff on how Performance Appraisal or PD is carried out and related to rewards and recognitions such as selection for interview, promotions, salary and end-of-year bonus. Specifically the study would attempt;

- To find out what employee performance appraisal means to Management and staff and how it is carried out.
- To investigate how employee appraisal is linked to rewards and recognitions.

- Explore the level of employee satisfaction with the process and its link to rewards and recognitions
- To assess how performance appraisal and its linkage to rewards and recognitions impact on the motivation of employees towards work.
- To summarize findings and make recommendations

#### **1.4 Research Questions**

The Human Relations School (1930-mid 1950s) made the assumption that if employees were happy and satisfied, they would naturally work harder and thus increase their productivity (Maund 2001). The key question of concern to this study is; are the employees of Barclays Bank that motivated by their appraisals and how it is connected to rewards and recognitions or the whole Performance Development system, in order to transform them to increase productivity of the retail sector, in particular and the Bank in general? This research sought, among other things to answer various related sub questions pertaining to the performance appraisal/ performance development system of the Bank, with concentration on the Retail function. The questions that need consideration include;

- What is the process and practice of Performance Appraisal/ Performance Review in Barclays Bank and how is this connected to rewards and recognitions?



- Are staff satisfied with the appraisal and performance management system of the Bank and how these are linked to rewards and recognitions?
- Should Barclays Bank continue with the performance appraisal/performance development, what impact will it have on staff motivation and contribution to the achievement of the Bank's goals and objectives in Ghana?

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### **1.5 Main Arguments of the Research**

Based on the problem statements and objectives of this research, the following hypotheses have been put forward.

1. Employee performance appraisal/development practices are hardly in accordance with the Bank's PD processes and procedures.
2. The improper management of the Performance Appraisal [or Performance Development] process and how it is linked to rewards and recognitions result in dissatisfaction and low staff morale.
3. Dissatisfaction resulting from the performance appraisal practice in Barclays Bank of Ghana contributes to the Bank's inability to achieve its aim of becoming the best retail and commercial bank; every product, every market, every customer, every time, in the banking sector of Ghana.

The aim of any performance management tool is to ensure that set objectives are attained in the best interest of both employees and management. According to Barclays

PD Learner Guide, an individual's objectives act as keystone to uphold the business priorities, key value drivers, goal, vision and mission. Employees prefer an appraisal not carried out at all to a badly conducted or improperly managed appraisal/performance review, since this could lead to dissatisfaction and lowering of morale. Individual objectives roll-up into the business' performance and alignment. The individual employee's objectives and key value drivers are geared towards the realization of organizational goals, then vision and subsequently the mission of the business.

### **1.6 Brief Overview of Methodology**

Questionnaires were administered to staff of the Retail function and interview schedule used to extract information on the PD process from Management. Simple Random Sampling, Quota Sampling and Purposive Sampling were used to administer the questionnaires to ensure statistical conformance. Data collected was analyzed qualitatively and quantitatively, using content analysis and SPSS as well as Microsoft Excel.

### **1.7 Scope of the study**

The research work is limited to the retail function of Barclays Bank of Ghana Limited, which is mainly the branch network across Ghana, made up of over 140 branches with about 118 ATMs, including 9 world class Prestige Centres, and a Premier Centre. The whole organization of Barclays Bank, with over two thousand (2000) employees is large



and broad and it is estimated that what pertains in the branch network or the retail function is a clear representation. The retail function employs more than half the total number of employees, about 2000, in the whole of Barclays Bank of Ghana. The study of the retail function is therefore a representation of the whole business of Barclays Bank and hence the focus.

### **1.8 Problems and limitations of the Study**

The researcher encountered some financial and logistic problems. Other major limitations encountered include, the difficulties associated with data collection, study design and sampling techniques as well as size, as for instance, respondents failed to return completed questionnaires on time, citing time constraints and work pressure as some of their reasons.

### **1.9 Significance of this study**

This study took a look at the whole process of performance appraisal and/ or development and how it is linked to rewards in Barclays. It also highlighted how employees viewed the process of performance development, in general and its impact on the organization as a whole and whether the practice has any effect (s) on the way employees get motivated towards work. This is to help management of the Bank to realign itself, as far as the performance development process is concerned so as to get the best out of it.

### 1.10 Outline of the Study

The whole work is divided into five chapters, with each of them dealing with a particular area. The first chapter **introduces** the idea and problems of employee performance appraisal in Barclays Bank, bringing out the related objectives and hypothesis of the study. It highlights the need for this research. Chapter two reviews related **literature**, to bring out various areas of performance appraisal, why, how, as well as, the common mistakes and errors which are committed in performance development or performance management exercises. It also finds out how performance appraisal is linked to rewards and recognitions, according to what other researchers had done in the area. The third chapter highlights the **methodology** used in coming out with findings as far as this research work is concerned. It brings out all the considerations to support why those options are used to collect data for analysis. The forth chapter takes care of the **results and discussions** of the research. Here, the researcher tries to present and interpret what has been obtained from both primary and secondary sources. The fifth and last chapter handles the **conclusion and recommendations**, where suggestions for improvement of the process of employee performance appraisal or PD are spelt out for consideration for the improvement of the process in Barclays Bank.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Overview of Performance Appraisal**

Few issues in management stir up more controversy than performance appraisal. There are many reputable sources - researchers, management commentators, and psychometricians - who have expressed doubts about the validity and reliability of the performance appraisal process. Some have even suggested that the process is so inherently flawed that it may be impossible to perfect it (Derven, 1990). At the other extreme, there are many strong advocates of performance appraisal. Some view it as potentially "... the most crucial aspect of organizational life" (Lawrie, 1990). Between these two extremes lie various schools of belief. While all endorse the use of performance appraisal, there are many different opinions on how and when to apply it. There are those, for instance, who believe that performance appraisal has many important employee development uses, but scorn any attempt to link the process to reward outcomes - such as pay rises and promotions. This group believes that the linkage to reward outcomes reduces or eliminates the developmental value of appraisals. Rather than an opportunity for constructive review and encouragement, the reward-linked process is perceived as judgmental, punitive and harrowing. For example, how many people would gladly admit their work problems if, at the same time, they knew that their next pay rise or a much-wanted promotion was riding on an appraisal result? Very likely, in that situation, many people would deny or downplay their weaknesses. Nor is the desire to distort or deny the truth confined to the person being appraised.

Appraisers often know their appraisees well, and are typically in a direct subordinate-supervisor relationship. They work together on a daily basis and may, at times, mix socially. Suggesting that a subordinate needs to brush up on certain work skills is one thing; giving an appraisal result that has the direct effect of negating a promotion is another. The result can be resentment and serious morale damage, leading to workplace disruption, soured relationships and productivity declines. On the other hand, there is a strong rival argument which claims that performance appraisal must unequivocally be linked to reward outcomes. The advocates of this approach say that organizations must have a process by which rewards - which are not an unlimited resource - may be openly and fairly distributed to those most deserving on the basis of merit, effort and results. There is a critical need for remunerative justice in organizations. Performance appraisal - whatever its practical flaws - is the only process available to help achieve fair, decent and consistent reward outcomes ([www.performance-appraisal.com](http://www.performance-appraisal.com), April, April, 2009).

#### **. 2.1.1 The Link to Rewards**

Research (Bannister & Balkin, 1990) has reported that appraisees seem to have greater acceptance of the appraisal process, and feel more satisfied with it, when the process is directly linked to rewards. Such findings are a serious challenge to those who feel that appraisal results and reward outcomes must be strictly isolated from each other. There is also a group who argues that the evaluation of employees for reward purposes, and frank communication with them about their performance, are part of the basic responsibilities of Management. The practice of not discussing reward issues while appraising performance is, say critics, based on inconsistent and muddled ideas of motivation.

## 2.2 Why Performance Appraisal

Appraisal is the analysis of the successes and failures of an employee and the assessment of their suitability for training and promotion in the future (Maund, 2001). According to Maund (2001), appraisal is a key component of performance management of employees. When effective, the appraisal process reinforces the individual's sense of personal worth and assists in developing his/her aspirations. Its central tenet is the development of the employee. Performance appraisal was introduced in the early 1970s in an attempt to put formal and systematic framework on what was formally a casual issue (Maund, 2001). Accurate appraisals are crucial for the evaluation of recruitment, selection, and training procedures. Appraisal can determine training needs and occasionally counseling needs. It can also increase employee motivation through the feedback process and may provide an evaluation of working conditions and it can improve employee productivity, by encouraging the strong areas and modifying the weak ones. Further, employee evaluation can improve managerial effectiveness by making supervisors more interested in and observant of individual employees (Auerbach, 1996). Objectives for performance appraisal policy can thus, best be understood in terms of potential benefits. Mohrman et al (1989) identified the following:

- increase motivation to perform effectively
- increase staff self-esteem.
- gain new insight into staff and supervisors.
- better clarify and define job functions and responsibilities.

- develop valuable communication among appraisal participants.
- encourage increased self-understanding among staff as well as insight into the kind of development activities that are of value.
- distribute rewards on a fair and credible basis.
- clarify organizational goals so they can be more readily accepted.
- improve institutional/departmental manpower planning, test validation, and development of training programs.

Appraisal focuses on what has been achieved and what needs to be done to improve it. It should be used to help clarify what an organization can do to meet the training and development needs of its employees. According to Maund (2001), appraisal is to facilitate effective communication between managers, employees and should provide a clear understanding for both of them based on four main components; the work that must be done, the criteria by which achievement will be judged, the objectives of the exercise, the process for giving the appraisal feedback on achievement.

Bandura (1977) stated that “self appraisal of performance set the occasion for self-produced consequences”. Favourable judgments give rise to rewarding self - reactions, whereas unfavourable appraisals activate punishing self-responses’. Appraisal has the following as advantages:

- The appraiser and the appraisee are forced to meet formally.
- The employee becomes aware of what is expected of him/her.



- The employee learns or reaffirms his or her exact status.
- Valuable feedback can be received by both employee and employer.
- The manager can learn what the employee is actually doing rather than what he/she thinks he/she is doing.

Among other things appraisal has the following disadvantages: the appraiser could harbour favouritism, be biased and stereotypical when carrying out appraisal interviews, The criteria by which the appraisee is being assessed could be interpreted differently by the appraiser and the appraiser could be tempted to evaluate every appraisee s/he sees as 'average' or 'satisfactory' or 'fair'

A poorly conducted appraisal interview can be seen by the employee as being worse than not having an interview at all (Maund, 2001). Ideally, the record of the interview should be written on a special performance appraisal form that is signed by the manager, the employee and often a senior manager. It is good practice to allow the employee to see the completed form and add any comment (s). Reward such as end-of-year bonus payment and recognition such as selection for interview and promotion are determined by the performance of the employee throughout the four quarters in the year, in Barclays Bank. The Human Relations School (1930-mid 1950s) made the assumption that if employees were happy and satisfied, they would naturally work harder and thus increase their productivity (Maund, 2001). Because of this premise, the movement encouraged a wider appreciation of the importance of worker participation within the organization- not least with their own Employee Development and Career Progression.



## **2.3 Common Mistakes in Performance Appraisal**

Where performance appraisal fails to work as well as it should, lack of support from the top levels of management is often cited as a major contributory factor. Opposition may be based on political motives, or more simply, on ignorance or disbelief in the effectiveness of the appraisal process. It is crucial that top management believe in the value of appraisal and express their visible commitment to it. Top managers are powerful role models for other managers and employees. Those attempting to introduce performance appraisal, or even to reform an existing system, must be acutely aware of the importance of political issues and symbolism in the success of such projects.

### **2.3.1 Fear of Failure**

There is a stubborn suspicion among many appraisers that a poor appraisal result tends to reflect badly upon them also, since they are usually the employee's supervisor. Many appraisers have a vested interest in making their subordinates "look good" on paper. When this problem exists, it may point to a problem in the organization culture. The cause may be a culture that is intolerant of failure. In other words, appraisers may fear the possibility of repercussions - both for themselves and the appraisee. Longenecker (1989) argues that accuracy in performance appraisal is impossible to achieve, since people play social and political games, and they protect their own interests. No matter what safeguards are in place, "... when you turn managers loose in the real world, they consciously fudge the numbers." What Longenecker is saying is that appraisers will, for all sorts of reasons, deliberately distort the evaluations that they give to employees.

Fudging motives can be a lot less admirable and sometimes devious: some appraisers would fudge to avoid the possibility of an unpleasant confrontation or to hide employee difficulties from senior managers, or in order to punish or reward employees.

### **2.3.2 Judgment Aversion**

Many people have a natural reluctance to "play judge" and create a permanent record which may affect an employee's future career. This is the case especially where there may be a need to make negative appraisal remarks. Training in the techniques of constructive evaluation (such as self-auditing) may help. Appraisers need to recognize that problems left unchecked could ultimately cause more harm to an employee's career than early detection and correction.

### **2.3.3 Feedback-Seeking**

Larson (1989) has described a social game played by poor performers. Many supervisors will recognize the game at once and may have been its victims. The game is called feedback-seeking. It occurs where a poor performing employee regularly seeks informal praise from his or her supervisor at inappropriate moments. Often the feedback-seeker will get the praise they want, since they choose the time and place to ask for it. In effect, they "ambush" the supervisor by seeking feedback at moments when the supervisor is unable or unprepared to give them a full and proper answer, or in settings that are inappropriate for a frank assessment. The supervisor may feel "put on the spot", but will often provide a few encouraging words of support. The game seems innocent enough until appraisal time comes around. Then the supervisor will find that the employee

recalls, with perfect clarity, every casual word of praise ever spoken! This places the supervisor in a difficult bind. Either the supervisor lied when giving the praise, or least, misled the employee into thinking that their performance was acceptable (in fact, this is the argument that feedback-seekers will often make). The aim of the game is that the feedback-seeker wants to deflect responsibility for their own poor performance. They also seek to bolster their appraisal rating by bringing in all the "evidence" of casual praise. Very often the feedback seeker will succeed in making the supervisor feel at least partly responsible. As a result, their appraisal result may be upgraded. Was the supervisor partly responsible? Not really. The truth of the matter is that they have been "blackmailed" by a subtle social game. But like most social games, the play depends on the unconscious participation of both sides. Making supervisors aware of the game is usually sufficient to stop it.

#### **2.3.4 Appraiser Preparation**

The bane of any performance appraisal system is the appraiser who wants to "play it by ear". Such attitudes should be actively discouraged by stressing the importance and technical challenge of good performance appraisal. Perhaps drawing their attention to the contents of this web site, for example, may help them to see the critical issues that must be considered.

#### **2.3.5 Employee Participation**

Employees should participate with their supervisors in the creation of their own performance goals and development plans. Mutual agreement is a key to success. A plan

wherein the employee feels some degree of ownership is more likely to be accepted than one that is imposed. This does not mean that employees do not desire guidance from their supervisor; indeed they very much do.

### **2.3.6 Performance Management**

One of the most common mistakes in the practice of performance appraisal is to perceive appraisal as an isolated event rather than an ongoing process. Employees generally require more feedback, and more frequently, than can be provided in an annual appraisal. While it may not be necessary to conduct full appraisal sessions every time in the year, performance management should be viewed as an ongoing process. Frequent mini-appraisals and feedback sessions will help ensure that employees receive the ongoing guidance, support and encouragement they need. Of course many supervisors complain they don't have the time to provide this sort of ongoing feedback. This is hardly likely. What supervisors really mean when they say this is that the supervision and development of subordinates is not as high a priority as certain other tasks. In this case, the organization may need to review the priorities and values that it has instilled in its supervisory ranks. After all, supervisors who haven't got time to monitor and facilitate the performance of their subordinates are like chefs who haven't got time to cook, or dentists who are too busy to look at teeth. It just doesn't make sense. If appraisal is viewed as an isolated event, it is only natural that supervisors will come to view their responsibilities in the same way. Just as worrying, employees may come to see their own effort and commitment levels as something that needs a bit of a polish up in the month or two preceding appraisals. Performance management of individual employees

generally includes the following: planning work, setting goals, offering feedback and reviews, offering opportunities to learn more in one's field, and rewarding employees who perform well. Employee performance management works best when work is planned and goals are consistent. This may mean having a clear way to communicate regarding work expected at the moment and upcoming work. Planning also includes defining expectations of the employee so that he or she is not broadsided by evaluation criteria not included in planning. Planning and setting goals in performance management also creates a system of predictable rewards for good performance, and consequences for poor performance. This way the employee can reasonably assume the consequences of work performance, whether good or bad. Performance management also involves giving feedback to employees on a more consistent basis than the average annual review. Instead, an employee's ability to exceed or failure to meet goals may be monitored on a monthly basis. This provides the employee with either the opportunity to receive compliments and rewards fairly regularly or to make behavior changes sooner if performance is not up to par.

In a performance management model, employees must also be given ways to grow and develop in their field. This means giving opportunities to work on harder projects, pairing less-skilled employees with expert employees, and offering team models where employees can direct and make decisions. Greater responsibility and opportunities to advance in one's field are essential to maintaining happy and productive employees. Rewards are also a huge part of performance management. The greatest part of this is rewards of monetary nature, either in bonuses or raises, when employees

perform well. As well, employees who actually are now qualified to work in a high level of their field should be placed in positions of greater responsibility, and receive a greater share of pay. Performance analysis should focus as much or more on positive performance than it does on negative performance. Rewards for positive performance must be real and tangible, or else the company runs the risk of becoming a “negative action” company only.

## **2.4 Appraisal Methods**

In a landmark study, Locker & Teel (1977) found that the three most common appraisal methods in general use are Rating Scales Method (56%), the Essay Methods (25%) and Results- oriented or MBO methods (13%). Certain techniques in performance appraisal have been thoroughly investigated, and some have been found to yield better results than others.

- **Encourage Discussion:** Research studies show that employees are likely to feel more satisfied with their appraisal result if they have the chance to talk freely and discuss their performance. It is also more likely that such employees will be better able to meet future performance goals (Nemeroff & Wexley, 1979). Employees are also more likely to feel that the appraisal process is fair if they are given a chance to talk about their performance. This is especially so when they are permitted to challenge and appeal against their evaluation. (Greenberg, 1986)



- **Constructive Intention:** It is very important that employees recognize that negative appraisal feedback is provided with a constructive intention, i.e., to help them overcome present difficulties and to improve their future performance. Employees will be less anxious about criticism, and more likely to find it useful, when they believe that the appraiser's intentions are helpful and constructive. (Fedor et al, 1989). In contrast, other studies, Baron (1988) reported that "destructive criticism" - which is vague, ill-informed, unfair or harshly presented - will lead to problems such as anger, resentment, tension and workplace conflict, as well as increased resistance to improvement, denial of problems, and poorer performance.
- **Set Performance Goals:** It has been shown in numerous studies that goal-setting is an important element in employee motivation. Goals can stimulate employee effort, focus attention, increase persistence, and encourage employees to find new and better ways to work (Locke et al, 1981). The use of goals as a stimulus to human motivation is one of the best supported theories in management. It is also quite clear that goals which are "...specific, difficult and accepted by employees will lead to higher levels of performance than easy, vague goals (such as do your best) or no goals at all." (Harris & DiSimone, 1994) )
- **Appraiser Credibility:** It is important that the appraiser be well-informed and credible. Appraisers should feel comfortable with the techniques of appraisal, and should be knowledgeable about the employee's job and performance. When these conditions exist, employees are more likely to view the appraisal process as



accurate and fair. They also express more acceptance of the appraiser's feedback and a greater willingness to change (Bannister, 1986).

### **2.4.1 Rating Scale Method**

The rating scale method offers a high degree of structure for appraisals. Each employee trait or characteristic is rated on a bipolar scale that usually has several points ranging from "poor" to "excellent" (or some similar arrangement). The traits assessed on these scales include employee attributes such as cooperation, communications ability, initiative, punctuality and technical (work skills) competence. The nature and scope of the traits selected for inclusion is limited only by the imagination of the scale's designer, or by the organization's need to know (Source: [www.performance-appraisal.com](http://www.performance-appraisal.com)).

#### **2.4.1.1 Advantages of Rating Scale**

The greatest advantage of rating scales is that they are structured and standardized. This allows ratings to be easily compared and contrasted - even for entire work forces. Each employee is subjected to the same basic appraisal process and rating criteria, with the same range of responses. This encourages equality in treatment for all appraisees and imposes standard measures of performance across all parts of the organization. Rating scale methods are easy to use and understand.

#### **2.4.1.2 Disadvantages of Rating Scale**

Trait Relevance: - Are the selected rating-scale traits clearly relevant to the jobs of all the appraisees? It is inevitable that with a standardized and fixed system of appraisal, certain traits will have a greater relevance in some jobs than in others. For example, the

trait "initiative" might not be very important in a job that is tightly defined and rigidly structured. In such cases, a low appraisal rating for initiative may not mean that an employee lacks initiative. Rather, it may reflect that fact that an employee has few opportunities to use and display that particular trait. The relevance of rating scales is therefore said to be context-sensitive. Job and workplace circumstances must be taken into account.

- **Perceptual Errors**

This includes various well-known problems of selective perception (such as the horns and halos effect) as well as problems of perceived meaning. Selective perception is the human tendency to make private and highly subjective assessments of what a person is "really like", and then seek evidence to support that view (while ignoring or downplaying evidence that might contradict it). An example is the supervisor who believes that an employee is inherently good (halo effect) and so ignores evidence that might suggest otherwise. Instead of correcting the slackening employee, the supervisor covers them and may even offer excuses for their declining performance. On the other hand, a supervisor may have formed the impression that an employee is bad (horns effect). The supervisor becomes unreasonably harsh in their assessment of the employee, and always ready to criticize and undermine them. The horns and halo effect is rarely seen in its extreme and obvious forms. But in its more subtle manifestations, it can be a significant threat to the effectiveness and credibility of performance appraisal (Source; [www.performance-appraisal.com](http://www.performance-appraisal.com)).

- **Perceived Meaning**

Problems of perceived meaning occur when appraisers do not share the same opinion about the meaning of the selected traits and the language used on the rating scales. For example, to one appraiser, an employee may demonstrate the trait of initiative by reporting work problems to a supervisor. To another appraiser, this might suggest an excessive dependence on supervisory assistance - and thus a lack of initiative (www.performance-appraisal.com).

- **Rating Errors**

The problem here is not so much that of errors in perception as errors in appraiser judgement and motive. Unlike perceptual errors, these errors may be (at times) deliberate. The most common rating error is central tendency. Busy appraisers, or those wary of confrontations and repercussions, may be tempted to dole out too many passive, middle-of-the-road ratings (e.g., "satisfactory" or "adequate"), regardless of the actual performance of a subordinate (Source; www.performance-appraisal.com).

#### **2.4.2 Essay Method**

In the essay method approach, the appraiser prepares a written statement about the employee being appraised. The statement usually concentrates on describing specific strengths and weaknesses in job performance. It also suggests courses of action to remedy the identified problem areas. The statement may be written and edited by the appraiser alone, or it be composed in collaboration with the appraisee.

#### **2.4.2.1 Advantages of Essay Method**

The essay method is far less structured and confining than the rating scale method. It permits the appraiser to examine almost any relevant issue or attribute of performance. This contrasts sharply with methods where the appraisal criteria are rigidly defined. Appraisers may place whatever degree of emphasis on issues or attributes that they feel appropriate. Thus the process is open-ended and very flexible. The appraiser is not locked into an appraisal system that limits expression or assumes that employee traits can be neatly dissected and scaled.

#### **2.4.2.2 Disadvantages of Essay method**

Essay methods are time-consuming and difficult to administer. Appraisers often find the essay technique more demanding than methods such as rating scales. The technique's greatest advantage - freedom of expression - is also its greatest handicap. The varying writing skills of appraisers can upset and distort the whole process. The process is subjective and, in consequence, it is difficult to compare and contrast the results of individuals or to draw any broad conclusions about organizational needs.

#### **2.4.3 Results Method: Management By Objectives (MBO)**

The use of management by objectives was first widely advocated in the 1950s by the noted management theorist Peter Drucker. MBO methods of performance appraisal are results-oriented. That is, they seek to measure employee performance by examining the extent to which predetermined work objectives have been met. Usually the objectives are established jointly by the supervisor and subordinate. Once an objective is agreed on,

the employee is usually expected to self-audit; that is, to identify the skills needed to achieve the objective. Typically, they do not rely on others to locate and specify their strengths and weaknesses. They are expected to monitor their own development and progress.

#### **2.4.3.1 Advantages of MBO**

The MBO approach overcomes some of the problems that arise as a result of assuming that the employee traits needed for job success can be reliably identified and measured. Instead of assuming traits, the MBO method concentrates on actual outcomes. If the employee meets or exceeds the set objectives, then he or she has demonstrated an acceptable level of job performance. Employees are judged according to real outcomes, and not on their potential for success, or on someone's subjective opinion of their abilities. The guiding principle of the MBO approach is that direct results can be observed, whereas the traits and attributes of employees (which may or may not contribute to performance) must be guessed at or inferred. The MBO method recognizes the fact that it is difficult to neatly dissect all the complex and varied elements that go to make up employee performance.

#### **2.4.3.2 Disadvantages of MBO**

MBO methods of performance appraisal can lead to unrealistic expectations about what can and cannot be reasonably accomplished. Supervisors and subordinates must have very good "reality checking" skills to use MBO appraisal methods. They will need these skills during the initial stage of objective setting, and for the purposes of self-auditing and self-monitoring. One of the strengths of the MBO method is the clarity of purpose

that flows from a set of well-articulated objectives. But this can be a source of weakness also. It has become very apparent that the modern organization must be flexible to survive. Objectives, by their very nature, tend to impose certain rigidity. Of course, the obvious answer is to make the objectives more fluid and yielding. But the penalty for fluidity is loss of clarity. Variable objectives may cause employee confusion. It is also possible that fluid objectives may be distorted to disguise or justify failures in performance.

## **2.5 Bias Effects**

Gabris & Mitchell (1989) have reported a disruptive bias in performance appraisal known as the Matthew Effect. It is named after the Matthew of biblical fame, who wrote, "To him who has shall be given, and he shall have abundance: but from him who does not have, even that which he has shall be taken away." In performance appraisal, the Matthew Effect is said to occur where employees tend to keep receiving the same appraisal results, year in and year out. That is, their appraisal results tend to become self-fulfilling: if they have done well, they will continue to do well; if they have done poorly, they will continue to do poorly. The Matthew Effect suggests that no matter how hard an employee strives, their past appraisal records will prejudice their future attempts to improve. A study of supervisors in nearly 40 different organizations found that subordinates tend to be divided into two groups: in-groupers and out-groupers. This study, by Heneman et al (1989) reported that ingroupers are subordinates who seem to be favored by their supervisors. In their relationship with the boss, they enjoy "a high



degree of trust, interaction, support and rewards." On the other hand, out groupers don't do as well. They appear to be permanently out of favor and are likely to bear the brunt of supervisory distrust and criticism. The effect is therefore similar to the horns and halo effect; supervisors tend to judge employees as either good or bad, and then seek evidence that supports that opinion. It was found that when an ingrouper did poorly on a task, supervisors tended to overlook the failure or attribute to causes such as bad luck or bad timing; when they did well, their success was attributed it to effort and ability. But when a outgrouper performed well, it was rarely attributed to their effort or ability. And when an outgrouper performed poorly, there was little hesitation in citing the cause as laziness or incompetence. It is not clear how supervisors make the distinction between ingroupers and outgroupers. Whatever the criteria, it is clearly not objective, equitable or reliable. This bias must inevitably lead to a distortion of the appraisal process. It must also be a source of frustration for those employees who are discriminated against.

### **2.5.1 Frustration**

The extent of this frustration was explored by Gabris & Mitchell (1989). They studied an organization with a quarterly performance appraisal system. The workforce was divided into two groups: those who had been given high appraisal results consistently, and those who had low results consistently. When the groups were asked if the appraisal system was fair and equitable, 63 per cent of the high performers agreed, compared to only 5 per cent of the lower performers. The groups were asked if their supervisors listened to them. Of the high performers, 69 per cent said yes, while among the low performers, 95 per cent said no. Finally, when asked if their supervisors were supportive, nearly half of



the high performers agreed that they were, while none of the low performers agreed. Of course, not everyone who gets a poor appraisal result is a victim of supervisory bias. Nor are all supervisors prone to making the same degree of ingroup and outgroup distinction. The effects discussed here are tendencies; not immutable effects. But to some extent, it appears that certain employees may be unfairly advantaged, while others are disadvantaged, by bias effects in the judgements of supervisors. It is a cardinal principle of performance appraisal that employees should have the chance to improve their appraisal results - especially if their past results have not been so good. It is a very serious flaw in the process of appraisal if this principle is denied in practice.

### **2.5.2 Awareness Training**

The first line of defense lies in raising awareness of the problem. Supervisors need to be informed of the types of subtle bias that can interfere with their performance as appraisers. They need to understand that the ingroup/outgroup bias, for instance, reduces the morale and motivation of their subordinates.

### **2.5.3 Developing Poor Performers**

Incentives, financial or non-financial, may be offered to encourage supervisors to make special efforts to help poor performers improve. Supervisory appraisals, for example, might stress the importance of working with poor performers to upgrade their performance. The possibilities are extensive.

#### **2.5.4 Counselling, Transfer, Termination**

There is always the possibility that an employee who receives poor appraisal results is in fact, a chronic poor performer. No employer is obliged to tolerate poor performance forever. Consistently poor appraisal results will indicate a need for counselling, transfer or termination. The exact remedy will depend on the circumstances

#### **2.5.5 Conflict and Confrontation**

Invariably the need arises in performance appraisal to provide an employee with less than flattering feedback. The skill and sensitivity used to handle these often difficult sessions is critical. If the appraisee accepts the negative feedback and resolves to improve, all is well. But if the result is an angry or hurt employee, then the process of correction has failed. The performance of an employee in such cases is unlikely to improve and may deteriorate even further.

#### **2.5.6 Self-Auditing**

According to Krein (1990), appraisers should not confront employees directly with criticism. Rather, they should aim to let the evidence of poor performance emerge "naturally" during the course of the appraisal interview. This is done by way of open-ended questioning techniques that encourage the employee to identify their own performance problems. Instead of blunt statements or accusations, the appraisers should encourage an employee to talk freely about their own impressions of their performance. The technique is to calmly present the evidence (resisting the temptation to label it as good or bad) and then invite the employee to comment. In many cases, with just a gentle

nudge from the appraiser here and there, an employee with problems will admit that weaknesses do exist. This is much more likely when an employee does not feel accused of anything, nor forced to make admissions that they do not wish to make. If an appraiser can get an employee to the stage of voluntary admission, half the battle is won. The technique described by Krein is a type of self-auditing, since it encourages the employee to confront themselves with their own work and performance issues. Confrontation techniques that rely on "charge and counter-charge" tend to promote adversarialism - and that leads to denial and resentment.

### **2.5.7 Ownership of Problems**

Perhaps the most powerful aspect of the self-auditing process is that employees are more willing generally to accept personal "ownership" of problems that have been self-identified. This sense of ownership provides an effective basis for stimulating change and development. Nevertheless there are individuals who will not admit to anything that appears to reflect poorly on them. With ego defences on full-alert, they will resist the process of self-auditing very strongly. In such cases, appraisers may have no choice but to confront the poor performer directly and firmly with the evidence they have. Sometimes the shock of direct confrontation will result in the employee admitting that they do need to make improvements. But sometimes, it will just make their denial of the problem worse. In providing any feedback - especially negative feedback - appraisers should be willing and able to support their opinions with specific and clear examples. Vague generalizations need to be avoided. The focus should be on job-related behaviours and attitudes.

## **2.6 Performance Appraisal, Productivity and Rewards**

Performance appraisal systems began as simple methods of income justification (Dulewicz, 1989). That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order. Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well. Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed. For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence. As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized.

Performance appraisal may be a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual, etc), in which the work performance of the subordinate is examined and

discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development. In many organizations - but not all - appraisal results are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses, and promotions. By the same token, appraisal results are used to identify the poorer performers who may require some form of counselling, or in extreme cases, demotion, dismissal or decreases in pay. Whether this is an appropriate use of performance appraisal - the assignment and justification of rewards and penalties - is a very uncertain and contentious matter (Derven, 1990). Appraisal systems are related to institutional productivity requirements. Appraisal systems are expected to reveal under-productive units and to serve as a response system to focus attention on problem areas. Appraisal systems should also function to reward productive units and staff. One of the most crucial response systems is the institution's reward structure. While salary adjustment may be fixed, alternative reward structures may be initiated by departments to recognize productive staff. Concerns with under-productive staff may be addressed through targeted staff development activities or through other means as appropriate.

## **2.7 Appraiser Leadership Attributes**

Supervisor or appraiser behavior may be more important than the format used in the performance appraisal system. Appraisers who act like leaders in their organization are more likely to experience successful results from the appraisal system than will

appraisers who behave as non-leaders. Leaders can model desired behavior and prescribe behavior sought from staff. This modelling carries the advantage of organizational prestige and power associated with the position.

## **2.8 Performance Appraisal/ Management in other Banks**

Standard Bank Group, a global bank with African roots, in order to support its overall objectives related to performance management moved from a paper-based process to a computer-based process of performance appraisal. This, among others was to improve appraisal completion rates, system reliability and overall appraisal quality, making the system more reliable, reduce the time needed to complete appraisals and raise the percentage of appraisals completed on time (Source: [www.halogensoftware.com](http://www.halogensoftware.com)). Performance management as an ongoing process firmly embedded in Standard Bank's values. The performance management process aims to ensure that individual output and behavior as well as business unit performance are aligned with strategic and financial objectives. Employees are taken through annual appraisals as they set annual performance and behavioural objectives (Source: [www.sustainability.standardbank.com](http://www.sustainability.standardbank.com))

Piraeus Bank Group, with the vision of becoming a powerful regional financial organization in South-Eastern Europe and the Eastern Mediterranean, is of the view that managing the performance of employees and utilization of abilities are critical for improving the Bank's efficiency and continuous increase in the value offered to customers, shareholders and partners (Source: [www.piraeusbank.com](http://www.piraeusbank.com)).



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This study was a survey in the form of a cross-sectional study in which data was collected once across the population through sampling. Between seven to ten branches were randomly selected from each of the seven clusters (based on the relative number of branches in the clusters) and any six to twelve staff selected using quota sampling and purposive sampling techniques, to which questionnaires were administered in the proportion of three junior staff to one senior staff (3:1) in every quota assigned. Questionnaires were sent to other sectors of the Retail function such as Micro Banking Operations, and Retail Risk departments. The questionnaires were posted to some respondents through the Barclays internal mailing system, to ensure maximum response and others, hand-delivered. There were twelve (12) telephone interviews as well, all geared towards collecting reliable data for this research.

Interview schedule, to extract information on the subject from Management was also used to get Management's stand on the performance appraisal or development system and how they are monitored. A Human Resource Department official helped to provide this needed information. Documents of the Bank on performance development as well as how it relates to salary, promotions and bonus among other rewards and recognitions were reviewed. This was to enable the researcher to pick out the necessary modalities in place to ensure smooth PD process in the Bank. Also, it was checked whether the steps in those modalities are being adhered to in carrying out the appraisals.



### **3.2 Target Population**

This research is focused on the Retail Function of Barclays Bank of Ghana, with employee population of 1246 (One thousand two hundred and forty six) employees, more than half the total number of employees (about 2000) in Barclays Bank of Ghana Limited. The retail function of Barclays Bank is mainly made up of the branch network (which include Prestige Centres), the Retail Banking Unit, Micro Banking, Contact Centre and other support functions attached to it. The branch network is in clusters, seven of them currently with varied number of branches in each.

### **3.3 Sampling Techniques and Sampling Size**

It was impractical to collect data on the whole population, considering the size, as well as the time, available to the researcher, hence the need to select a sample that will represent the whole population. Simple random sampling was used to select the branches that questionnaires were administered to, by assigning numbers and choosing without replacement. Quota sampling and purposive sampling techniques were employed for the study, due to the nature of the branch set up. This enabled the researcher to sample the views of a cross section of staff and Management of the branches of Barclays Bank and the other department in the Retail function. A cross-section of the junior and senior staff was sampled to provide the needed information. The sample size covered 38% of the target population of the study (thus, 470 out of 1246). Thus 470 questionnaires were given out to help sample views of employees of the Bank. The sample size was determined using the relation;  $n^1 = n * 100 / re\%$ , where  $n^1$  = the actual sample size,  $n$  =

the minimum (adjusted minimum size (400), and  $re$  = the estimated response rate of 85%. (Source: Saunders et al, 2003).

### 3.3.1 Sampling Methods Used

**Simple random** sampling method was used to select branches from among many in the clusters, to which questionnaires were administered. Numbers were assigned to branches in each cluster from which the required numbers were selected for the study and branches were picked without replacement using random numbers. This was to ensure that as much as possible biasness is removed or is minimized and a fair representation is obtained. Purposive sampling and quota sampling techniques were then used to select staff to which the questionnaires were administered in the branches. Thus, judgment of the researcher was used to select cases that enabled him to answer research questions and to meet objectives. **Purposive sampling** involves choosing people whose views are relevant to the issue being looked at, where the researcher tried to create a representative sample without sampling at random. **Quota sampling** involves a choice of respondents who represent the diversity itself, (i.e junior and senior staff), according to relevant proportions. Quota sampling involves a choice of respondents who represented diversity in the population in the same proportions as the diversity itself. Here, people were chosen in equal proportion and weight assigned to each subgroup, especially in the Branch network. Questionnaires were sent to other parts of retail; operations, retail risk, and micro banking departments, all in the bid to getting a well-represented data for the study.

### **3.4 Data Collection**

Questionnaires were administered to employees of the Retail Function of the Bank, for them to indicate their views, satisfaction and reservations about the process of how performance is appraised and fed into the performance development system of the Bank and how it is applied in relation to rewards and recognitions. Four hundred and seventy (470) questionnaires were administered, some mailed through the Barclays Bank mailing system and others administered by telephone as well as hand delivery. Structured, mixed structured and semi-structured questions, using quota sampling of senior staff and junior staff were used. The Bank is divided into various business functions, Retail, Corporate, Finance, Information Technology and Human Resources, among others. Questionnaires were administered to the Retail function only, which is divided into seven main clusters across the country, namely; North, Kumasi, Accra/Tema, Accra Central/South, Accra North, Western and Central as well as Eastern and Volta. The rest are; Retail Banking Unit, Branch Operations and Micro Banking department and Retail Risk department. An interview schedule was also used to get information from an HR official who is in charge of training on performance development. This is to ascertain Management's side of how the process is supposed to work and how it is related to rewards and recognitions. Vital information was obtained from secondary sources such as, Performance Development Learner Guide of Barclays Bank, Barclays Bank website, [www.barclays.com](http://www.barclays.com) and Let's Shine Manual of Barclays Bank.

Various types of questions were used to extract the needed information from employees of the Bank as follow;

### **(i) Structured Questions**

Queries that can be answered only in a specific way, such as true, or false; yes, no; not good, good, fair, very good, etc. These were used to extract information from respondents in a manner that did not give them room to express their feeling in their own words. These were used generally to extract employees' views on the subject.

**(ii) Semi-structured** questions are those whose contents are not fully specified in advance. Respondents are encouraged to provide answers in their own words, to support the structured types in getting the real feeling and situation on the ground. These were used to do some amount of probing, to extract more information from respondents. Often the information obtained from semi-structured interviews will provide not just answers, but the reasons for the answers and hence its adoption in the study.

### **(iii) Mixed-structured questions**

Semi-structured interviews mix structured questions with open-ended questions that ask why and how. Open-ended questions were used to follow up and probe for more detailed and explanatory answers. The structured questions in semi-structured interviews were quantified. Open-ended questions were more difficult to administer because follow-up questions should be asked in a uniform way for each respondent.

### **3.5 Data management**

The data management process includes all steps necessary to extract answers to research questions from data and to check the quality of the research results. During and after the data collection process, great care was taken to ensure that data were properly cleaned, edited, classified, coded and stored. Coding data involves transforming responses such as 'agree/disagree' or 'yes/no' into numerical form for quantitative analysis and creating code categories for qualitative data. Cleaning and editing data involves ensuring consistency and appropriateness of responses, where decisions are made, and confirming data entry into a computer or transcribing data onto code sheets.

### **3.6 Data Analysis**

Both qualitative and quantitative techniques were used in analyzing data, with the qualitative method used for the secondary data and primary data obtained through interview with Management. This was done using content analysis and logical analysis to outline patterns in the data. Primary data obtained from questionnaire administered to employees of the Bank was analyzed with SPSS. The SPSS software helped to breakdown the raw data that was collected from the field into simpler quantitative and tabular form for easy understanding and assimilation. Microsoft Excel was used, in addition to SPSS to generate the diagrams from tables obtained. The goal of data analysis is to ask questions about the data that answer the research questions on which the study was based.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 Barclays Bank in Ghana**

##### **4.1.1 History of Barclays Bank in Ghana**

Barclays has operated in Ghana for over 93 years and has been closely associated with all phases of the country's development. The first Barclays branch in Ghana, the High Street Branch, was commissioned on St. Valentine's Day, February 14 1917. Initially wholly owned by Barclays Plc, the government of Ghana in 1972 acquired 40% in Barclays Ghana. This reduced to 10% and eventually in June 2003, Barclays PLC acquired the remaining 10% shares of the government of Ghana, making Barclays Ghana a wholly owned subsidiary of Barclays PLC. Barclays Bank of Ghana Limited currently has over 140 branches (which include sales centres) and 125 ATMs, including 9 world class Prestige Centres, and a Premier Centre as well as an Offshore Banking Centre. The bank has presence in all the 10 regions of the country. It has kept pace with the development of Ghana and has consistently maintained excellent performance. In recognition, it has received several awards over the 93 years of its existence in Ghana and has maintained the position of the most profitable bank for six consecutive years. (Source: [www.barclays.com](http://www.barclays.com))

##### **4.1.2 Business**

Barclays Bank works with mission, vision, goals and employees are made to set SMART objectives in line with those of the business annually, in an attempt to work in unison towards achieving its goal, vision and mission. Barclays Bank is a universal



commercial bank that deals with withdrawals and deposit of cash and other instruments, aside several other banking practices.

**Mission:** We will be the most admired financial services organization globally, recognized as an innovative, customer-focused business that delivers superb products and services, ensure excellent careers for our people and contribute to the communities in which we work (Source: PD Learner Guide).

**Vision:** To be the leading contributor to Africa's future (Source: PD Learner Guide).

**Goal:** To be the best retail and commercial bank: every product, every market, every customer, every time (Source: PD Learner Guide).

The key value drivers; customer, colleague, community, company and control together with individual's objectives help in achieving the goal and subsequently, vision and mission of the Bank.

#### **4.1.3 Organizational Structure**

Barclays Bank has a well structured system with the Managing Director as the final authority in Ghana. The MD works with Country Management Committee (CMC), to which the Functional heads such as heads of HR department, Corporate Affairs, Finance, Consumer Banking (which has the Retail function under it), among others report to. The Retail Director has the Area Managers, Regional Operations Managers and other departmental heads in Retail reporting to him/her as he/she reports to the head of Consumer Banking. The Branch network has Branch Managers and Branch Operations Managers, who then take instructions from these Area and Regional Operations



Managers as they also have their team members reporting to them on daily basis. The HR department however, takes charge of the management of the PD system and ensures that any issues relating to PD are handled in conjunction with the departmental heads.

#### **4.2 PD Process and Practices in Barclays Bank**

Performance Development in Barclays Bank began as an annual Appraisal but went through reforms to become Performance Development, with four quarterly reviews or appraisals in a year. Performance Development was developed as a tool to give employees a clear direction as to what needs to be achieved and how to achieve them. Performance Development guides individual performances and in measuring productivity at all levels of employment, thereby serving as a positive tool. Areas of weakness are thus identified in time and fixed before the fourth and final appraisal/review at the end of the year. One achieves his/her goals in the PD process by setting SMART objectives and going by the Guiding Principles (Refer to Appendix III). An employee achieves his/her objectives as he/she meets or exceeds his/her targets set in the PD plan, while abiding by the guiding principles. As prescribed, the Appraisal process begins with a one-on-one, face-to-face meeting between Team Leaders and respective Team Members hence discussing and subsequently setting SMART objectives which are aligned to organizational goals and priority. Achievement of the set objectives are continuously reviewed or appraised on quarterly basis, with the final one in December on the A – D rating scale. Management By Objectives (MBO) is employed

in the appraisal system. PD training forms part of the Bank's induction process. The rating scales were interpreted as;

- A – Consistently meets performance criteria and exceeds in most areas.
- B – Consistently meets performance criteria and exceeds in some areas.
- C – Just meets performance criteria.
- D – Does not meet performance criteria. Significant improvement required.

Good performance is recognized in many different ways, including but not limited; Recognition, Challenge assignments, Opportunity for development, Career growth, Financial reward and bonus.

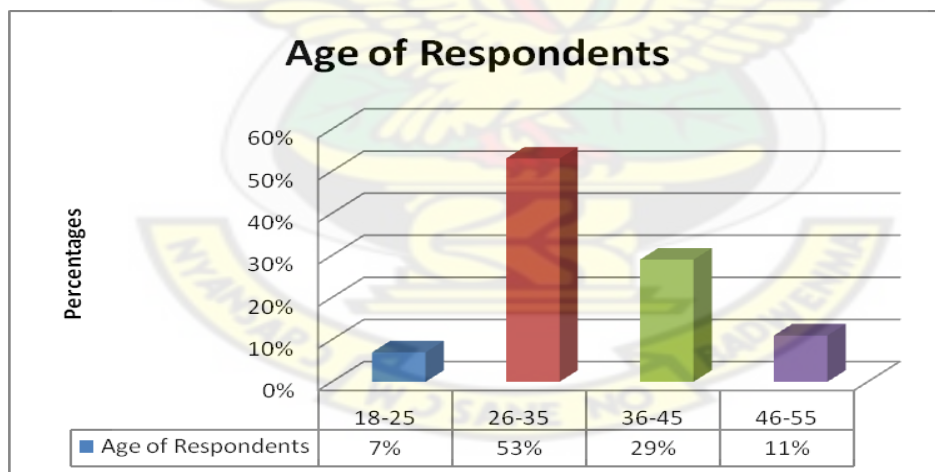
Accordingly, A or B rated individuals are entitled to performance bonus and legibility to apply for new roles (or promotions), either vertical or horizontal. D rated individuals are put on Performance Improvement Programme (refer to Appendix I for PIP). Individuals who consistently obtained C rating (i.e. for two consecutive years) are also put on PIP. Consistency checks are conducted by all Line Managers in the hierarchy and then a final one by all functional heads, to ensure that all ratings are in consonance with respective performance of staff. Staff are made aware of how consistency checks are conducted during inductions. PD helps to bring out the best in employees and recognizes outstanding performance, thence encourages low-rated team members to aspire for higher ratings especially, A rating, which goes with many reward packages. It is having positive impact, as individual/ functional/ departmental goals are aligned to that of the business. Management believes that the Bank is about 60% through to being

the best retail and commercial Bank; every product, every market, every customer, every time. (Source: Field Data, April, 2009 and PD Learner Guide)

#### 4.2.1 Performance Appraisal/ Review and its Administration at Barclays Bank.

For Barclays Bank to continue making great strides in Ghana, employees' interest is paramount and needs to be considered as such. Performance Development, according to management is to help develop employees towards mutually achieving their aims and objective that of the Bank. Performance Appraisal/ review is to be carried out quarterly by Line Managers, face-to-face with their subordinates. Each employee is to set 'SMART' objectives and combine these with the Bank's Guiding principles to realize aims and objectives by meeting their set targets.

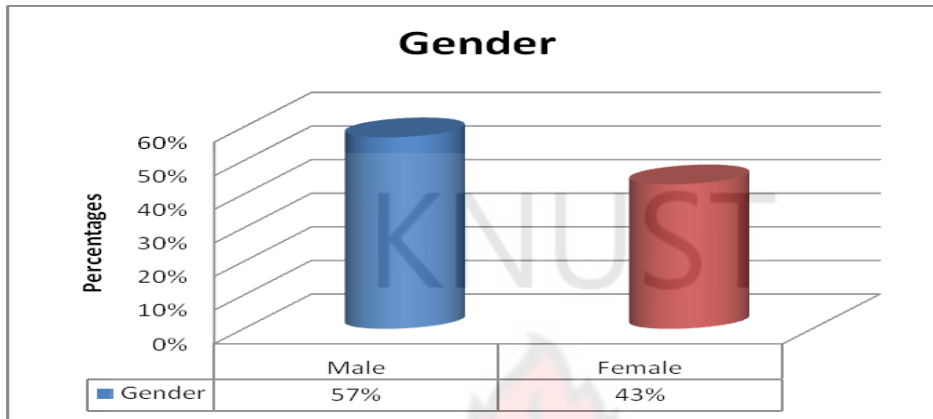
##### A: Age, Gender and Educational Background of Respondents



**Fig.4.1: Age of Respondents (Source: Field Data, April, 2009)**

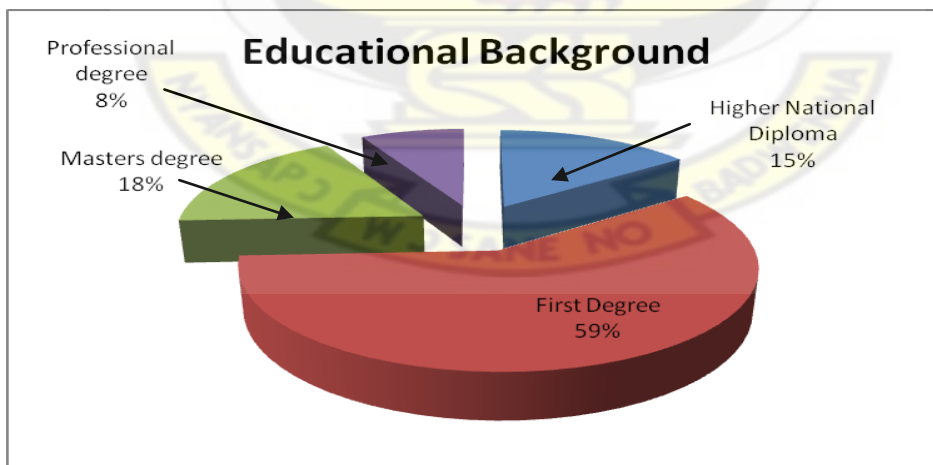
Respondents sampled have their ages ranging between 18 and 55 years, in the proportions shown in Fig 4.1 above and with diverse educational qualifications (Fig 4.2).

Thus, the Bank has all age groups and gender present in its work force.



**Fig. 4.2: Gender of Respondents (Source: Field Data, April, 2009)**

The educational background of respondents as shown in Fig 4.3 is made up HND (15%), first degree (59%), masters degree (18%) and professional qualifications (8%). A well-qualified work force thus present in the organization, when well trained and motivated could work to achieve and even exceed set goals at all time.



**Fig. 4.3: Educational Background of Respondents (Source: Field Data, April, 2009)**

Thus Barclays Bank of Ghana has a well-structured work force with a fair representation of all age groups, gender and educational backgrounds. Such an organization with diverse work force when well-positioned and motivated could be made to make the Bank the very best in the banking industry, in Ghana.

#### **B: Rank and years of service in Barclays Bank**

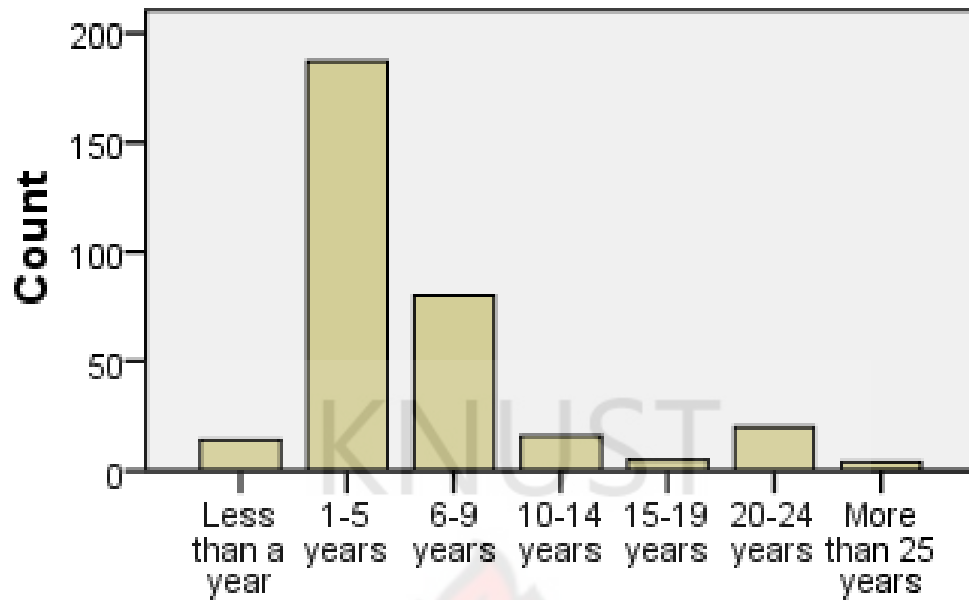
The data for the research was collected from employees whose ranks range from B1 to B4, with proportions as shown in Table 4.1 below.

**Table 4.1: Rank of Respondents in Barclays Bank.**

	Frequency	Percent	Valid Percent
Valid B1	144	44.2	44.2
B2	72	22.1	22.1
B3	79	24.2	24.2
B4	31	9.5	9.5
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

Accordingly, 14 (4.3%), 187 (57.4%), 80 (24.5%), 16 (4.9%), 5 (1.5%), and 6.1% employees sampled have worked between 1-5, 6-9, 10-14, 15-19, 20-24 years respectively, with 14 (4.3%) working for less than a year and four staff representing 1.2% for over 25 years as captured in Fig. 4.4 below. From Fig. 4.5, it is clear that the retail sector employed a lot of people within the last five years for which reason there was the need to do some training on Performance Review and Performance Development.



### How long have you being working ...

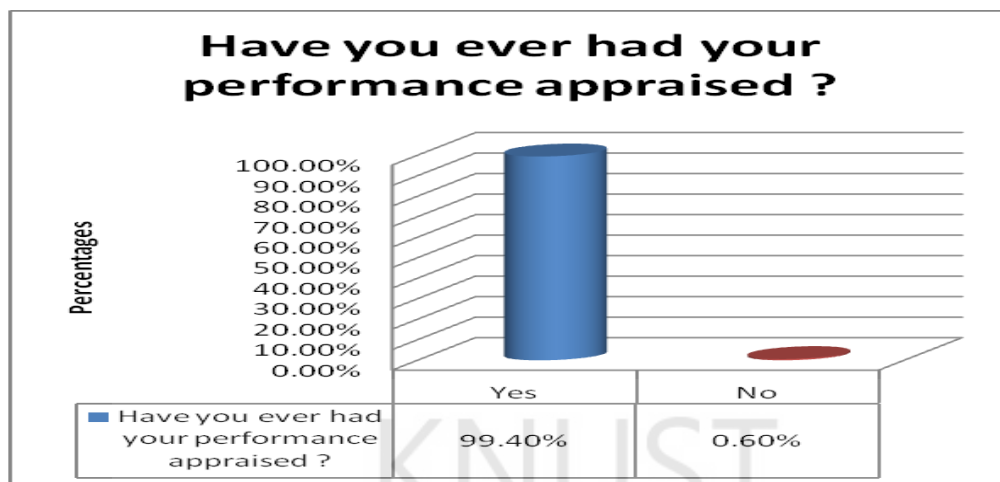
**Fig. 4.4: Length of Service with Barclays Bank (Source: Field Data, April, 2009)**

With most of the employees having between 1-9 years of service in the Bank, much more coaching is required, in addition to training, to ensure that the right process and procedures are adhered to. This would go a long way to ensure increased performance as far as productivity is concerned.

#### **C: Existence and Frequency of Performance Appraisals**

In agreement to the view of Management that, appraisals are carried out quarterly, 99.4% of respondents said that they have ever been taken through the process and 85% of them indicated that they last had their performances appraised within the last one to six months as shown in Fig.4.5 and Table 4.2 below.





**Fig. 4.5: Participation in Performance Appraisal (Source: Field Data, April, 2009)**

However, 0.06% of respondents stated that their performances have never been appraised. This may be an evidence that not everybody is subject to the process or those respondents did not take their time to understand the questions posed. Again, from Table 4.2, it is noted that 7.4% of staff respondents had their last performance appraisal between 6-12 months, 6.4% in 1-3 years and 0.6% in more than four years while 0.6% did not respond at all. It is therefore clear that some staff have problems with how their performances are appraised.

**Table 4.2: Period of most recent Performance Appraisal**

	Frequency	Percent	Valid Percent
Valid 1-6 months	277	85.0	85.0
6-12 months	24	7.4	7.4
1-3 years	21	6.4	6.4
More than four years	2	.6	.6
No response	2	.6	.6
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

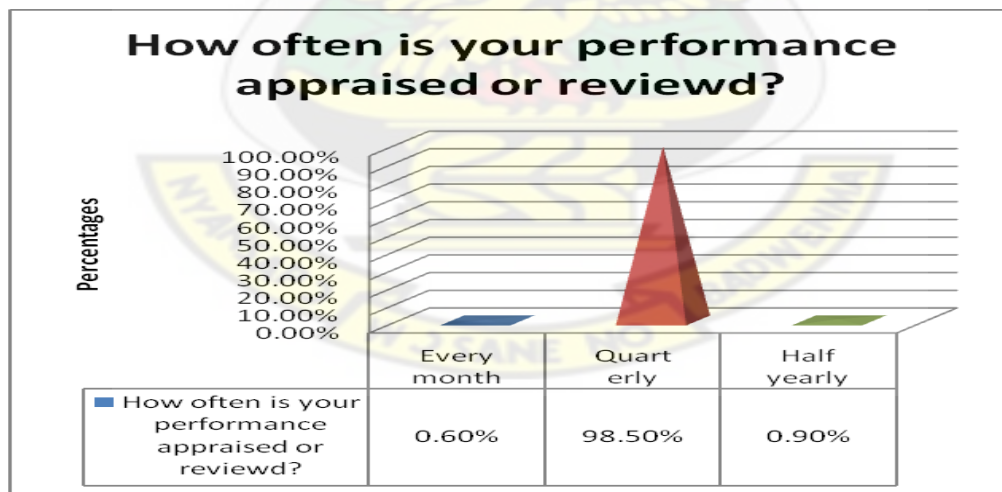
Majority of staff (i.e 99.1%) confirmed what has been put in place by the Management of Baclays Bank, that appraisals are conducted quarterly and during these times, employees complete the PD template (see Appendix IV), with which Line Managers appraise or review their performances.

**Table 4.3: Frequency of Performance Appraisal**

		Frequency	Percent	Valid Percent
Valid	Every month	2	.6	.6
	Quarterly	321	98.5	98.5
	Half yearly	3	.9	.9
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

However, some staff disagree with this asseertion, with 0.6% of respondents stating that their performances are appraised every month and 0.9% have theirs done half-yearly. These positions in Table 4.3 are well illustrated in Fig. 4.7.



**Fig. 4.6: Frequency of Performance Appraisal (Source: Field Data, April, 2009)**

This implies that largely appraisals are conducted on quarterly basis as directed by Management even though a few anomalies existed.

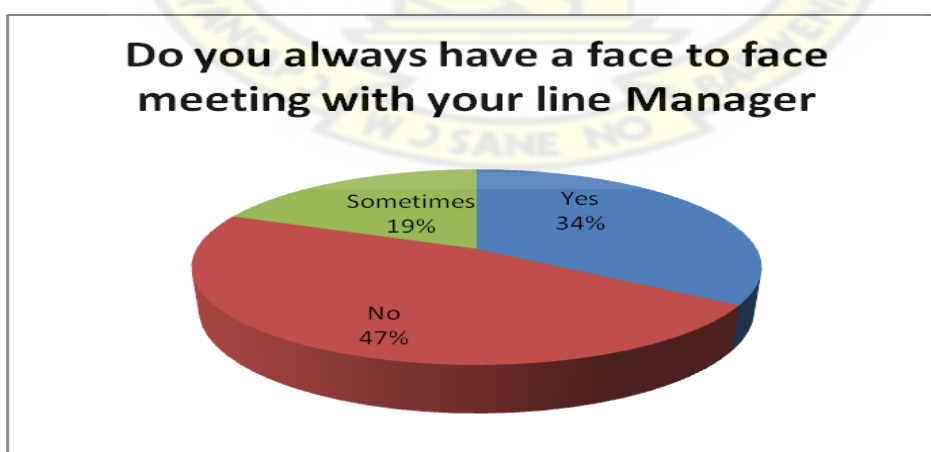
#### **D: Processes of Administering Appraisal to Employees of Barclays.**

**Table 4.4: Training and Coaching before first Appraisal**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	126	38.7	38.7	38.7
No	200	61.3	61.3	100.0
Total	326	100.0	100.0	

**Source: Field Data, April, 2009**

From Table 4.4 above, only 38.7% out of 326 staff that responded indicated that they were trained and/or coached before their first ever appraisal sessions while 61.3% knew nothing like that and had to use their own ideas to go through their first appraisals, contrary to Management's position that all new employees are taken through PD training during inductions. It could mean that inductions are not conducted before employees' first ever appraisals. This is not good for an organization that had done a lot of fresh recruitments and expects the best from all employees. It also shows that processes and procedures stated in the Bank's PD documents are not being adhered to. Respondents stated that the process is practiced differently from what is written as some Line Managers do not conduct the face-to-face appraisals always.



**Fig. 4.7 : Face to Face Meetings during Appraisals (Source: Field Data, April, 2009)**

Even though Management of the Bank made it clear that all appraisals must be carried out by face-to-face meeting between line managers and team mates, only 34% of respondents have had face to face meetings with their line managers consistently as indicated in Fig. 4.8 above. 47% do not have face to face meetings while 19% sometimes do.

**Table 4.5: Respondents' Preferred Method of Appraisal/ PD Interviews**

	Frequency	Percent	Valid Percent
Valid Face to face	221	67.8	67.8
Discussion	42	12.9	12.9
Objective And Unbiased face to face Meeting	29	8.9	8.9
No Response	34	10.4	10.4
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

Moreover, just as Management made it clear that Performance Appraisal must be conducted one-on-one, face-to-face meeting between line Managers and team members, 67.8% of 326 staff said they wanted and would always like face to face meeting, 12.9% discussion (where everybody's view counts) and 8.9% would love objective and unbiased face to face meeting. Thirty four (34) staff representing 10.4% did not provide any answers to this question. These are shown in Table 4.5 above. Meanwhile, Literature reviewed showed that, appraiser behavior may be more important than the format used in the performance appraisal system. Thus appraisal practices are not in accordance with processes and procedures in PD documents as indicated by Management of the Bank.

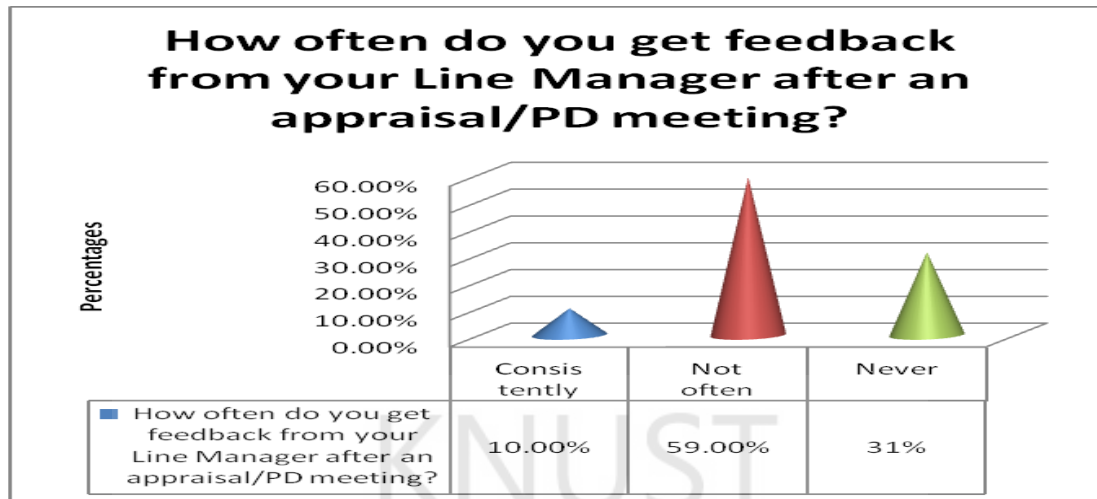
However, Table 4.6 below indicates that, out of 326 staff interviewed, only 31.3% answered ‘yes’ when asked whether methods used by supervisors conformed to the expected methods, with 56.7% answering ‘no’ and 12% not providing answers. None however made mention of confidential appraisal, where the appraiser completes the appraisal without the appraisee’ knowledge. This implies that if Line Managers present the PD forms submitted and signed by subordinates then they might have been doing something that is different from what is supposed to be done.

**Table 4.6: Conformance of Method of PA used To Expected Methods.**

	Frequency	Percent	Valid Percent
Valid Yes	102	31.3	31.3
No	185	56.7	56.7
No response	39	12.0	12.0
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

When asked how they got feedback from line managers after an appraisal or PD meeting, only 10% of staff attested to the fact that feedback was given to them consistently. 59% did not often get feedback while 31% have never had any feed back given them after Performance review meeting in their lives in Barclays Bank of Ghana. Feedback, as indicated in the Big picture of PD (Appendix II) forms part of every appraisal and if it is left out and only 9.5% of staff got it consistently, then it goes to say that Line Managers are not helping staff to develop. Without feedback, how would any one arrange for a C or D rated staff to partake in PIP? Poor performers are not given a fair chance to improve then.



**Fig. 4.8: Frequency of Feedback from Line Manager after Appraisal Meetings**  
(Source: Field Data, April, 2009)

According to the PD checklist (Appendix I), the Big Picture of PD (Appendix II) and the PD Learner Guide of Barclays Bank, feedback is an integral part of the PD process. If supervisors do not give feedback, then the processes and procedures are not being adhered to by appraisors and hence the first hypothesis holds.

#### **4.3 Level of Satisfaction with Appraisal and link to Rewards and Recognitions**

The second research question and hypothesis relate to employee level of satisfaction with appraisal process and link to rewards and recognitions.

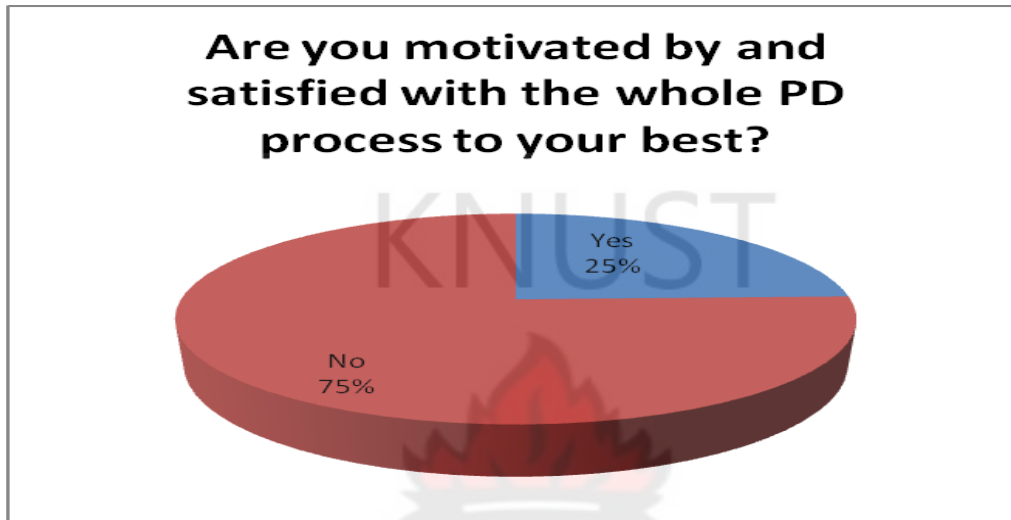
##### **4.3.1 PD and Motivation, Satisfaction and Identification of Potentials**

The Human Relations School (1930-mid 1950s) made the assumption that if employees were happy and satisfied, they would naturally work harder and thus increase their productivity (Maund, 2001).



### A: Motivation and Satisfaction from PD

The research tried to find out whether respondents were motivated by and satisfied with the appraisal and PD process of Barclays and Fig. 10 captures the responses given.



**Fig. 4.9: Motivation and Satisfaction with PD Process (Source: Field Data, April, 2009)**

Out of the 326 respondents, 25% are satisfied while 75% are not. Once processes and procedures are not adhered to, to the letter, employees' satisfaction with the system could not have been higher and they would not be motivated either. Thus, the improper management of the system has led to the demotivation and dissatisfaction shown in Fig. 4.9. When asked how they perceived the PD process in Barclays, respondents indicated what is captured in Table 47 below. Only 26.4% of staff perceived PD as developmental. The rest view it as judgemental (30.4%), punitive (34.3%), discriminative and/or selective (8.3%) and 0.6% (i.e 2 ) staff see it as not relevant a system. Could all these make the PD system developmental, as it is supposed to be? No, I do not think so. Meanwhile, from the primary and secondary sources, Management and employees alike, indicated that PD is meant to be developmental.

**Table 4.7: Employee Perception of the PA/PD process**

		Frequency	Percent	Valid Percent
Valid	Developmental	86	26.4	26.4
	Judgemental	99	30.4	30.4
	Punitive	112	34.4	34.4
	Discriminatory/Selective	27	8.3	8.3
	PD is irrelevant	2	.6	.6
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

However, this is not the case as portrayed by Table 4.7. Without the proper management of the process these perceptions held by employees cannot change and once employees do not see the true essence of PD, it could be difficult to achieve expected results through them and with them.

**Table 4.8: Knowledge of how Consistency check is done**

		Frequency	Percent	Valid Percent
Valid	Yes	120	36.8	36.8
	No	206	63.2	63.2
	Total	326	100.0	100.0

**Source: Field Data, April, 2009.**

Management stated that employees are put through induction when employed within three months, where the process of PD is made clear and how consistency check is carried out explained. However, as indicated in Table 8 above, 36.8% of staff said they are aware whiles 63.2% stated otherwise. There is the need for the process of training to be monitored to ensure adherence and enhancement of proper management of the

system. Thus, if employees are not aware of how this is done, they would not accept its outcomes and hence the system would fail to achieve needed results. According to results in Table 4.9, 79.8% have ever had their morale dampened and demotivated by the appraisal or PD review meetings. Details are shown in Table 4.9 below.

**Table 4.9: Effect of Appraisals on employees (dampening of spirit/morale and demotivation)**

		Frequency	Percent	Valid Percent
Valid	Yes	260	79.8	79.8
	No	66	20.2	20.2
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

#### **B: Identification of Potentials and PD's link with Rewards & Recognitions.**

The PD process is meant to help employees work towards achieving organizational goals even as they develop themselves.

**Table 4.10: Appraisal and Identification of Potentials for Development**

		Frequency	Percent	Valid Percent
Valid	Yes	190	58.3	58.3
	No	136	41.7	41.7
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

However, as indicated in Table 4.10 above and 4.11 below, 94.8% of staff are aware that salary increments (for those not covered by collective bargaining agreement), bonus and promotions are linked to appraisals but only 58.3% indicated that the PD process offered them the opportunity to identify certain potentials in them for development in the Bank

with 41.7% indicating otherwise. This trend certainly is not good for an organization that should have a well-motivated staff which work as a team to achieve the goal of becoming the best in the banking industry in Ghana in every product, every market, ever customer, every time. This means that the system is not being managed well, to enable it realize its full potential

**Table 4.11: PD and Salary Increase, Promotion and Bonus Payments.**

		Frequency	Percent	Valid Percent
Valid	Yes	309	94.8	94.8
	No	17	5.2	5.2
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

### **C: Linkage of PD to Rewards and Recognitions.**

With the trend established so far, ay Results in Table 4.12 give views of employees of the Bank as to whether PD should be separated from rewards and recognitions or not, with 69.9% advocating for separation of rewards and recognitions from PD and a different method used to ensure that everyone, at least, gets a minimum benefit whiles 30.1% insisted that it should be left as it is now.

**Table 4.12: Separation of PA/PD from Rewards and Recognitions.**

		Frequency	Percent	Valid Percent
Valid	Yes	228	69.9	69.9
	No	98	30.1	30.1
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

Asked as to whether they have ever been denied any rewards and/ or recognitions, 257 (78.8%) out of 326 respondents stated that they have ever been denied annual bonus and/ or promotions because of their rating while 69 employees (21.2%) have never been denied before. This could dampen morale of these staff as they have indicated that they are not in agreement with how the process is managed.

**Table 4.13: Denial of Bonus, Salary Increase or Promotion due to PD Rating**

		Frequency	Percent	Valid Percent
Valid	Yes	257	78.8	78.8
	No	69	21.2	21.2
	Total	326	100.0	100.0

**Source: Field Data, April, 2009**

This is enough ground for those who speak against appraisals to say that it needs to be scrapped off. However, proponents would argue that without Appraisals performance could not be measured well, for development. Thus much restructuring and monitoring need to be done to ensure strict adherence to processes and procedures.

**Table 4.14: Respondents' Preferred Linkage of Rewards and Recognitions to PD**

	Frequency	Percent	Valid Percent
Valid Minimum bonus across board	131	40.2	40.2
Promotion and salary should be attached to competence and qualification	62	19.0	19.0
They should be separated from PD	39	12.0	12.0
They should all be linked to PD	24	7.4	7.4
PD should be linked only to bonus	4	1.2	1.2
Should be used for development and not linked to anything	10	3.1	3.1
No response	56	17.2	17.2
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

From Table 4.14 above, 40.2% of staff want minimum bonus paid across board, 19.0% want promotions and salary attached to competence and qualification, 12.0% would like all rewards and recognitions separated from PD, 1.2% want PD linked only to bonus, 3.1% wish PD would be used for development and not linked to any rewards. Meanwhile, 7.4 % of them insist that PD be linked to salary review, promotion and bonus. However, 17.2% of the respondents did not indicate anything at all.



#### **D: Inadequate Counselling After PD Rating and Consequences**

Accordingly, Management has put in place the Performance Improvement Programme, primarily aimed at improving an individual's standard of performance or record of attendance. However, only 15% of respondents have ever participated in such training and or counselling measures. 85% of them are not aware of any such programme being in place, to even talk of participation. Could it be that Line Managers are not aware of the PIP? How come they did not make that known to their Team Members? Putting these measures in place, would have, in fact, made low performers develop lots of confidence in the whole PD process and raise dampened morale as well as motivate employees to put in much more, to help achieve organizational goals. This implies that processes and procedures are not adhered to hence, improper management of the system.



**Fig 4.10: Participation in Counselling Session as a result of PD Rating**

**(Source: Field Data, April, 2009)**

Results from Table 4.15 below indicate that only 1.8% of staff wanted the implementation of the PD process maintained as it is. 64.4% however, said that it should be reviewed to benefit every employee. That is to agree with the earlier position by

59.2% of staff that minimum bonus given across board while salary and promotion hinged on competence and qualification. 8.9% wanted rewards and recognitions not linked to PD at all while 24.8% advocate for the total abolishing of Performance Development since its implementation is not objectively done.

**Table 4.15: What Employees Make of PA/PD System in Barclays Bank.**

	Frequency	Percent	Valid Percent
Valid It must be maintained the way it is	6	1.8	1.8
It should be reviewed to benefit everyone	210	64.4	64.4
Rewards and recognitions should not be attached to it	29	8.9	8.9
It should be abolished completely	81	24.8	24.8
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

From Table 4.16, 75.8% of staff sampled have said that the PD system as a whole is a disincentive to them, due to the fact that favouritism and cronyism rather than hard work is rewarded, thus making the process biased and not objective in any way. There is apathy among employees and the developmental aspect of the PD process is relegated to the background, as is the view of others shown in Table 4.17.

**Table 4.16: Linkage of Appraisals to Rewards & Recognitions as a Disincentive.**

	Frequency	Percent	Valid Percent
Valid Yes	247	75.8	75.8
No	76	23.3	23.3
No Response	3	.9	.9
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

However, 23.3% argued that it does not serve as a disincentive, but rather makes them put in their best always. One hundred and forty-eight respondents (45.4%) did not provide reasons for their answers.

**Table 4.17: Why PD and its Link to Rewards and Recognitions serve as disincentive.**

	Frequency	Percent	Valid Percent
Valid Hardwork is rather not rewarded	57	17.5	17.5
Favouritism and cronyism practised	57	17.5	17.5
Bias and not objective	47	14.4	14.4
Makes me put in my best	9	2.8	2.8
Development aspect left out	2	.6	.6
Apathy	6	1.8	1.8
No response	148	45.4	45.4
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

#### **4.4 Impact of Dissatisfaction with PA/PD System on Organizational Goal Achievement**

Dissatisfaction and dampened morale from the PD system have the potential of bringing about demotivation which can affect productivity as well as corporate goal(s) achievement, as indicated by the third research argument.

##### **4.4.1 Organizational Goal**

The Bank has a goal of becoming the best retail and commercial bank; every product, every market, every customer every time. The attainment of this goal largely depends on the inputs made by employees in the organization. A highly-motivated work force would do everything possible to achieve this goal in the shortest possible time.

##### **4.4.2 Personal Decisions of Employees Based on PD System**

As to what personal decisions staff would take based on how the PD system works and their own perceptions so far, responses given are as below in Table 4.18.

**Table 4.18: Personal Decisions Taken in Relation to PD System**

	Frequency	Percent	Valid Percent
Valid    Leave the Bank	110	33.7	33.7
Not give your best at work	58	17.8	17.8
Work harder	39	12.0	12.0
Do my best	100	30.7	30.7
Push for reforms	11	3.4	3.4
Undecided	3	.9	.9
Not applicable	5	1.5	1.5
Total	326	100.0	100.0

**Source: Field Data, April, 2009**

As shown above, 110 (33.7%) employees would leave Barclays Bank with the least opportunity that presents itself, 58 (17.8%) would not give off their best, since it is not recognised even if they do, 39 (12%) would work harder, probably to get high and higher ratings always. Interestingly, 100 (30.7%) are doing their best while 11 (3.4%) would continue to push for reforms and 3 (0.9%) are undecided. However, 5 (1.5%) keep whatever decision there is to themselves, hence did not provide any answer. This trend is certainly not in the best interest of the Bank and must be worked on critically. Dissatisfaction resulting from the way the PD system is handled definitely is having an impact on the achievement of overall organizational goal(s), even though there could be other factors as well.

#### **4.4.3 Impact of Dissatisfaction on Organizational Goal Achievement.**

According to Auerbach (1996), PA/PD can increase motivation through the feedback process and may provide evaluation of working conditions and it can improve employee productivity. This subsequently would result in collective productivity and hence organizational goal achievement. Several factors contribute to the achievement of the goals of an organization of which performance appraisal, as a motivation tool is one such key issue. Responses on dissatisfaction and demotivation indicate that once employees are not satisfied and motivated with the system, they may not put in their possible best towards achieving the goals of the business. As stated earlier, the success of every organization depends largely on the availability and quality of a well-motivated human resource. Barclays Bank has quality and well qualified work force and must be able to motivate them in order to achieve its goals and become the best in the banking

industry. An attempt made to find out the exact proportion of the impact of PD on motivation and hence productivity, in terms of; increased individual productivity, training in terms of numbers, counselling in terms of numbers and perception of fairness in the appraisal process but there were no responses. Thus, one could conclude that there could possibly not be such details about how the process works and is managed and the exact impact not clearly known to its Managers. Meanwhile, Management indicated that the impact of PD on the achievement of the Bank's goal(s) and objectives is a positive one as individual/functional/departmental goals are aligned to that of the business.





## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 CONCLUSIONS**

Performance Appraisal (or review), which forms the basis of Performance Development, is good for a large multinational organization such as Barclays Bank to adopt and practised. It helps to a large extent to measure the performance of employees, based on setting of SMART objectives and to ensure that developmental needs are taken care of appropriately. However, a number of challenges have been identified and must be dealt with if the whole process is to be objective, fair and beneficial to all parties. It was discovered that Performance Appraisal or Performance review ratings are directly linked to rewards such as selection for interview, leading to promotion and bonus payments and also to salary levels. Also, once a poor performer (C or D rated employee), one does not get recognitions available. It was clear that some Line Managers did not follow due process in reviewing the performance of their subordinates in the face-to-face discussion PD process. Most employees are of the view that the process needs to be reviewed so as to benefit everyone, especially when it comes to linking it to promotion and bonus. Clear, measurable and realistic targets need to be set for employees as basis for appraisals. Linking payment of annual bonus and promotions to PD ratings has caused heart-aching feelings, prompting some staff to consider exiting when the opportunity presents itself. This is affecting team work, morale and overall performance (as shown in the results) in such a competitive banking industry in Ghana.

### **5.1.1 First Research Argument**

Document on PD and Management of Barclays have shown that much has been put into the PD process to make everyone enjoy working with it. However, what is practised does not necessarily follow what is written, since some employees are not taken through the face-to-face meeting to discuss their performances objectively and they do not know of any remedial measures put in place to help poor or low performers to improve and perform better. The first research argument thus holds.

### **5.1.2 Second Research Argument**

The second argument holds true. Performance Development is supposed to help develop employee performance on the job, even as they contribute towards achieving organizational goal(s). As it stands now, employees are dissatisfied with and demotivated by the system (in terms of how it is practiced), which could make them not give off their best and/ or end up in promoting mediocrity.

### **5.1.3 Third Research Argument**

The third argument holds also. 75.8% of staff sampled perceived the system as a disincentive to them and therefore are not motivated by it to give off their best and over 33% would leave the Bank for other jobs (probably competitors), at the least opportunity. This definitely is not good for the business, since high employee turnover could spell doom and hence a contributory factor in not being able to achieve the goal of becoming the best retail and commercial bank in; every product, every market, every customer and every time.

## 5.2 RECOMMENDATIONS

On the basis of the findings that have been established and conclusion drawn from the study, the following recommendations are necessary:

- Communication between team leaders and their team members need to be improved drastically. This will ensure that individuals understand how they are assessed and feel that the process is fair and objective. It will also ensure that team leaders give truly differentiated performance ratings based on an objective review of performance plans.
- Since what is practised does not seem to conform strictly with processes and procedures, Management needs to set up a monitoring system to ensure that due process is followed by both team leaders and team members, to ensure that measures are put in place to ensure effective performance reviews are adhered to all the time in terms of the face-to-face, objective quarterly meetings.
- The current method of giving bonuses should be reviewed so that at least a minimum bonus is given across board to all employees while performance is rewarded additionally, to ensure that everyone is motivated and challenged. A satisfied employee is well motivated towards work and would contribute greatly towards working to achieve the overall goals of the organization.
- Management and Line Managers, who conduct the appraisals or the review interviews, need to be equipped with the idea of motivating employees through the Performance Development system.

- Performance Development should be made a continuous process and not only mentioned when it is time for quarterly reviews or appraisals. Too much emphasis should not be placed on the appraisal interview but rather on the on-going performance development or performance management process.
- Methods of helping poor performers to improve upon their performance, such as counselling, and change of role as well as transfers should be put in place or strengthened, if in existence already.
- Any changes made to ratings of employees during consistency checks should be communicated clearly and early to all concerned, so that one could have enough time to react to them before bonus is paid and genuine interest taken in the well-being of employees. This would go a long way to prevent bad feelings and create a healthy atmosphere for team work, then and afterwards, as everyone is satisfied with the outcome.
- There is the need to develop a good feedback system to ensure that appraisals are not completely separated from the actual performance development or performance management process. Only this can ensure that poor or weak performers get the chance to develop and catch up with the rest of the team, for team work to be effective and geared towards achieving organizational goals.
- Line Managers should be made to know and checked to ensure that they do not use sentiments and their own ratings to judge their subordinates during performance reviews.