

MEASURE UP THE EMPLOYEES' PERFORMANCE – LEARNING AND GROWTH OPPORTUNITIES IN SERVICE SECTOR – A COMPARATIVE STUDY

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ABSTRACT

The Performance Measurement System becomes comprehensive when levels of learning and growth are measured. In banking sector, it is utmost important parameter to evaluate the performance of the employee through learning and growth perspective, which can further help to take decisions regarding promotions, increments and performance linked pay scales. The comprehensive data/ facts provided by the performance measurement system allows the banks to underpin the strategies and practices for taking decisions regarding career profiles and availability of opportunities for employees' upgradation in future too. The transparency in the system helps the banks to frame and revise the strategies and programs as per the requirements. Measures of central tendency such as mean, standard deviation etc. were calculated to study the nature and distribution of items in the dimension of learning and growth perspectives. The Correlation Analysis was used to evaluate the relationship between employees' experience and their levels of learning and growth opportunities in the existing organisation. Appropriate performance measures are integral part of the banking sector and of course essential for the employees too. Therefore, it is essential to understand the value of 'Learning and Growth' perspective in service sector.

Keywords: Employees' performance Measurement, Knowledge distribution, Knowledge interpretation, Internal acquisition of knowledge, External acquisition of knowledge, Organizational memory, Growth dimension, Correlation Analysis.

INTRODUCTION

The foundation of any organization is Human Resources – 'Human Capital'. The strategic readiness of human capital is measured by confirming whether employees have the right kind and level of skills to perform on the business processes. That is about strategic applications, sharing of information and knowledge. Most organizations fail to achieve the profitable growth. There exists a gap between actual and intended performance. It happens due to disconnect of companies' strategies and functions, processes and people required to execute it. The gap between strategy formulation and execution can be closed by creating an office of strategic management. The study was undertaken with the purpose of finding out the employees' perception towards their performance by using questionnaire relating to learning and growth. The dimensions for measuring employees' performance are "Knowledge distribution", "Knowledge interpretation", "Internal acquisition of knowledge", "External acquisition of knowledge", "Organizational memory" and "Growth dimension". For the sake of convenience and keeping in view the nature and objectives of the study, the results have been presented into sections.

REVIEW OF LITERATURE

Johanna and Heijden determined the nature of knowledge and skills related to professional expertise and further developed means by which such expertise might be individually measured. An instrument was developed to reflect dimensions i.e. knowledge, skills, social, recognition, growth and flexibility. Respondents consisted of 558 individual employees and 554 immediate supervisions. The reliabilities of the developed scales were found high with Cronbach's alpha and ranging from 0.83 to 0.94 for both self rating and supervisor's ratings.

Kontoghiorghes, Awbrey and Feurig examined the relationship between learning organizational characteristics and change adaptation, innovation and bottom-line organizational performance. The study consisted of service and manufacturing sector including 198 employees of IT Sector, 192 employees from health care insurance organization and 134 and 55 employees of Auto Parts manufacturer A and B respectively. Learning Organization dimensions included factors vis-à-vis open communication and information sharing, Risk taking, support for learning, high performance team environment, rewards for learning and knowledge management.

Lopez, Peon and Ordas analysed how the organizational culture impacts the knowledge management, organizational learning and firm's performance. It was hypothesized that organization learning had a positive effect on organizational performance. The study was carried out in 2001 among Spanish companies on 2,740 firms. Data was collected from 195 employees. Reliability analysis showed acceptable results. Organizational learning contributed towards improving firm's (business) performance.

Park Ho Joo applied fifth discipline model of learning organization in school context. The participants were 976 full time academic teachers in industry – technical and business high school in the Seoul megalopolis during the 2005-06 academic year. Learning organization constituted five disciplines/ parameters vis-à-vis personal mastery, mental model, shared vision, team learning and systematic thinking.

Song, Joo and Chermack assessed the validity and reliability of measurement scores of the learning organization culture, the Dimension of Learning Organization Questionnaire (DLOQ) in Korean context. The study included a sample of 1529 cases from 11 firms. Firms included electronics, telecommunication, IT solutions, heavy industry, oil and gas, international trading etc. Confirmatory factor analysis was used to verify the adequacy of items to factor associations. Items' inter correlation and Cronbach's coefficient alpha estimation were done. It was found that the questionnaire relating to learning organization was a valid and reliable measure of perceptions to learning organization.

Yang, Watkins and Marsick developed and validated a multi-dimensional measuring of the learning organization including seven dimensions of learning organization i.e. continuous learning, inquiry and dialogue, spirit of collaboration, empowerment, embedded system, system connection and strategic leadership. Each scale originally included 6 items. For field testing, 48 subjects participated in first stage, 71 subjects participated in 2nd stage and 191 subjects in the 3rd stage. Results indicated that squared multiple correlation for the variable financial performance was 0.66 and 0.74 for knowledge performance. The study shows that pattern of learning and its relationship to organizational outcomes offers practical strategies to create learning organizations.

RESEARCH DESIGN

Following statistical techniques were used to analyse the data and to arrive at the conclusions:

After considering the theoretical construct relating to learning and growth of the employees, 'Organizational Learning Scale' was used. Further growth of the employees was measured by using Growth dimension.

1. Descriptive Statistics: Measures of central tendency such as mean, standard deviation etc. were calculated to study the nature and distribution of items in all the dimensions of three perspectives.

3. Anova Test: Anova procedure was used to check the mean perception of respondents based on demographic variables.

4. Correlation Analysis: The relationship between independent and dependent variables was analysed.

SCOPE OF THE STUDY:

The present study is limited to measuring employees' performance in banking sector. Therefore, research relates to employees' perception regarding their performance and satisfaction and learning and growth opportunities offered in banks relating to different dimensions. Data is limited to the officers of SBI and ICICI banks.

RATIONALE OF THE STUDY:

The learning and growth component identified the need for employees to acquire a broad set of skills and knowledge, improved access to information and realignment of the system to encourage more customer satisfaction. Learning and growth demand to develop strategic skills and align personal goals.

HYPOTHESIS OF THE STUDY:

H01: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'Knowledge distribution'.

H02: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'Knowledge interpretation'.

H03: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'Internal acquisition of knowledge'.

H04: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'External acquisition of knowledge'.

H05: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'Organizational memory'.

H06: There is no significant difference between perception of employee performance in SBI and ICICI bank with respect to 'Growth dimension'.

DATA ANALYSIS AND INTERPRETATION:

Data analysis was done in three sections:

Section I: Respondents' (employees') profile of SBI vs. ICICI bank.

Section II: Statistics of employees' perception towards their performance in SBI and ICICI bank.

Section III: Impact of employees' performance on satisfaction towards their performance in SBI vs. ICICI bank.

SECTION I: Respondents (employees') profile of SBI vs. ICICI bank

This section describes the demographic profile of respondents and Employees' satisfaction towards their performance in SBI and ICICI bank.

Table 1: Age profile of employees in SBI vs. ICICI bank

Age (years)	SBI N (%)	ICICI N (%)	Total
Less than 25 years	15(7.5)	41(20.5)	56(28.0)
26-35 years	26(13.0)	39(19.5)	65(32.5)
36-45 years	29(14.5)	19(9.5)	48(24.0)
46-55 years	16(8.0)	1(0.5)	17(8.5)
More than 55 years	14(7.0)	0(0.0)	14(7.0)
Total	100(50.0)	100(50.0)	200(100.0)

Table 1 shows that in SBI, 7.5% respondents are having age less than 25 years, 13.0% between 26-35 years; 14.5% between 36-45 years, 8.0% between 46-55 years and 7.0% having age more than 55 years. In ICICI bank sample consists of 20.5% respondents having age less than 25 years; 19.5% between 26-35 years; 9.5% between 36-45 years, 0.5% between 46-55 years. Figure 25 gives the age profile of employees.

Table 2: Education wise profile of employees in SBI vs. ICICI bank

Education	SBI N (%)	ICICI N (%)	Total N (%)
Post Graduate	40(20.0)	69(34.5)	109(54.5)
Graduate	56(28.0)	11(5.5)	67(33.5)
Professional	4(2.0)	20(10.0)	24(12.0)
Total	100(50.0)	100(50.0)	200(100.0)

From Table 2, it is observed that sample consists of 20.0% post graduate, 28.0% graduate, and 2.0% professional in SBI and 34.5% post graduate, 5.5% graduate and 10.0% professional in ICICI bank.

Table 3: Income wise profile of employees in SBI vs. ICICI bank

Income (Rs.)	SBI N(%)	ICICI N(%)	Total N(%)
Below 2 lacs	0(0.0)	65(32.5)	65(31.5)
2-5 lacs	34(17.0)	20(10.0)	54(27.0)
5.1-10 lacs	42(21.0)	9(4.5)	51(25.5)
More than 10 lacs	24(12.0)	6(3.0)	30(15.0)
Total	100(50.0)	100(50.0)	200(100.0)

Table 3 explains that sample includes 17.0% respondents having income between Rs. 2-5 lacs, 21.0% between Rs. 5.1-10 lacs and 12.0% having income more than Rs 10 lacs, where as in ICICI bank; 32.5% respondents have income less than Rs. 2 lacs, 10.0% between Rs. 2-5 lacs, 4.5% between Rs 5.1-10 lacs

Section II: Statistics of employees' perception towards their performance in SBI and ICICI bank

The mean scores and standard deviation of various items in all the dimensions measuring employees' performance are shown in Table 4.

Table 4: Statistics of employees' perception towards their performance in SBI and ICICI bank

S.No.	Dimensions measuring employees' performance	Mean	SD
Knowledge distribution:			
1.	All members are regularly informed about the aim of the bank	4.19	0.87
2.	Meetings are periodically held to inform all the employees about the latest innovations in the bank	3.97	0.69
3.	Superior take initiative to collect ideas from employee and help them in implementing their suggestions	2.96	1.06
Knowledge interpretation:			
4.	Employees share knowledge and experience by talking to each other	3.95	0.72
5.	Teamwork is a very common practice in the bank	3.91	0.73
6.	There is regular job rotation in the bank	2.50	1.19
7.	The bank offers other opportunities to learn (visits to other parts of the organization, internal training programs etc.) so as to make employees aware of other people or department's duties	2.58	1.29
Internal acquisition of knowledge:			
8.	New ideas on work performance are experimented continuously in our organization	3.90	0.72
9.	Bank's systems and procedures support innovation	3.87	0.77
External acquisition of knowledge:			
10.	The employees attend seminars, workshops and conferences from other fields	3.69	0.84
11.	Our bank is in touch with external professionals and experts	3.80	0.72
Organizational memory:			
12.	The bank has up-to-date databases of its clients	4.01	0.64
13.	The bank keeps records of experts who can be contacted at any moment of time	3.92	0.63
14.	There is access to the bank's database and documents through some kind of network (internet, intranet etc.)	3.73	0.94
15.	Employees consult and use the databases regularly	3.84	0.61
16.	All the employees in the organization have an access to the bank's database	2.44	0.95
Growth dimension:			
17.	I achieved success (a degree of success) while operating in areas related to my work	3.73	1.25
18.	I applied my knowledge in new and unfamiliar situations in areas related to my work	3.82	0.80
19.	I was given opportunities to find what sort of work would offer our department new perspectives	3.74	0.77
20.	I was able to avail the opportunity related to my work	3.37	1.36

Table 4: It is inferred regarding the dimension 'Knowledge distribution' that all members are regularly informed about the aim of the bank (highest score). Employees agree that meetings are periodically held to inform them about the latest innovations in the bank. For the dimension 'Knowledge interpretation', employees agree that they share knowledge and experience by talking to each other. Teamwork is also common practice to enhance learning.

Dimension ‘Internal acquisition of knowledge’ indicates that new ideas on work performance are continuously experimented in their banks. For dimension ‘External acquisition of Knowledge’, employees perceive that bank is in touch with external professionals and experts. Dimension ‘Organizational memory’ observes that banks have up-to-date databases of its clients. Banks also keep records of experts who can be contacted at any moment of time. For ‘Growth dimension’, employees view that they employ their knowledge in new and unfamiliar situations in areas related to their work. They are also given opportunities to find what sort of work offers their department new perspectives to enhance growth.

Section III: Impact of employees’ performance on satisfaction towards their performance in SBI vs. ICICI bank

To study the impact of employees’ performance on satisfaction towards their performance, questionnaire relating to learning and growth dimensions was used. Employees’ performance is measured with the help of six dimensions i.e. ‘Knowledge distribution’, ‘Knowledge interpretation’, ‘Internal acquisition of knowledge’, ‘External acquisition of knowledge’, ‘Organizational memory’ and ‘Growth dimension’. These dimensions are taken as independent variables and satisfaction of employees towards their performance is taken as dependent variable.

Table 5: Correlation between employees’ performance and satisfaction towards their performance in selected banks (SBI and ICICI)

Employee Satisfaction	Knowledge distribution	Knowledge interpretation	Internal Acquisition of knowledge	External Acquisition of knowledge	Organizational memory	Growth dimension
1	0.56**	0.25**	0.52**	0.47**	- 0.45**	0.53**

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

Table 5: The relationship was calculated by using Pearson correlation of coefficient. Table 5 observes that preliminary analysis of correlation follows the assumptions of linearity and homoscedasticity and all correlation are found to be significant at 0.01 level of significance. Significant correlation is found for all dimensions i.e. „Knowledge distribution“ (r=0.56 and p<.01), ‘Knowledge interpretation’ (r=0.25 and p<.01), „Internal acquisition of knowledge’ (r=0.52 and p<.01), ‘External acquisition of knowledge’ (r=0.47 and p<.01), „Organizational memory’ (r=-0.45 and p<.01) and ‘Growth dimension’ (r=0.53 and p<.01). However strongest correlation is found for the dimension ‘knowledge distribution’, followed by ‘Growth dimension’, ‘Internal acquisition of knowledge’, ‘External acquisition of knowledge’ and ‘Knowledge interpretation’. However negative correlation is observed for the dimension ‘Organizational memory’, which states that with the increase in databases, records and documents, more access and excessive dependence leads to less satisfaction towards their performance.

Comparative analysis of impact of employees’ performance on employees’ satisfaction towards their performance in SBI vs. ICICI bank

Table 6: Correlation between employees’ performance impact and satisfaction in SBI vs. ICICI bank

Bank	Employee	Knowledge	Knowledge Interpretation	Internal acquisition	External acquisition	Organizational	Growth

	Satisfacti on	distributi on	on	on of knowled ge	on of knowled ge	memory	dimens ion
SBI	1	0.47**	0.41**	0.63**	0.59**	0.13**	0.48**
ICICI		0.43**	0.35**	0.31**	0.29**	-0.43**	0.41**

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

Table 6 observes that preliminary analysis of correlation follows the assumptions of linearity and homoscedasticity and all correlations are found to be significant at 0.01 level of significance except the dimension ‘Organizational memory’ for SBI. Further results show that in SBI, significant correlation is found for dimensions ‘Knowledge distribution’ ($r=0.47$ and $p<.01$), ‘Knowledge interpretation’ ($r=0.41$ and $p<.01$), ‘Internal acquisition of knowledge’ ($r=0.63$ and $p<.01$), ‘External acquisition of knowledge’ ($r=0.59$ and $p<.01$) and „Growth dimension“ ($r=0.48$ and $p<.01$) at 0.01 level of significance. No significant correlation is found for the dimension ‘Organizational memory’ ($r=0.13$ and $p<.01$). Also for ICICI bank, significant correlation is found for all the dimensions i.e. „Knowledge distribution“ ($r=0.43$ and $p<.01$), ‘Knowledge interpretation’ ($r=0.35$ and $p<.01$), ‘Internal acquisition of knowledge’ ($r=0.31$ and $p<.01$), ‘External acquisition of knowledge’ ($r=0.29$ and $p<.01$) and ‘Growth dimension’ ($r=0.41$ and $p<.01$) at 0.01 level of significance. Negative effect is shown by the dimension ‘Organizational Memory’ ($r=-0.43$ and $p<.01$).

CONCLUSION AND SUGGESTIONS:

There is no significant difference between perception of employee performance for the dimension ‘knowledge interpretation’. Thus the hypothesis H02 is accepted. However, there is a significant difference between perception of employee performance with respect to dimensions ‘Knowledge distribution’, ‘Internal acquisition of knowledge’, ‘External acquisition of knowledge’, ‘Organizational memory’ and ‘Growth dimension’ i.e. the hypothesis H01, H03, H04, H05 and H06 are not accepted. The mean perception of employees towards their performance for the dimensions ‘Knowledge distribution’, ‘Knowledge interpretation’, ‘Internal acquisition of knowledge’, ‘External acquisition of knowledge’ and ‘Growth dimension’ in ICICI bank is more than SBI. Mean perception of employees towards their performance for the dimension ‘Organizational memory’ is more in SBI than ICICI bank. The analysis observes that employees’ performance in ICICI bank for ‘Learning and growth perspective’ is better than SBI. It is utmost important to mobilize employees’ skills for continuous improvement in process capabilities, quality and response times. Learning and growth perspective describes that employees must take new responsibilities. Strategies for superior employee performance will require significant investment in right people, system and processes for building and strengthen the organizational capabilities. Ultimately, the capability to achieve targets depend upon the organization’s capabilities to strengthen employees’ learning and growth. It is essential to understand the changing world and update the work force as per the requirements to have fruitful results for the benefit of individuals and the organizations as well.

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