

**THE PERFORMANCE MANAGEMENT PRACTICES AND
THEIR IMPACT ON EMPLOYEE PERFORMANCE IN STATE
BANKS IN KANDY**

By

EKANAYAKA MUDIYANSELAGE GAMAGEDARA SANDAMALI

KUMARI EKANAYAKA

REG NO: EU/IS/2016/MS/030

INDEX NO: MS 1880



Project Report
Library - EUSL

A project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (BBA).

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA.**

2021

ABSTRACT

The general objective of the study was to determine the effect of performance management practices on employee performance in state banks (Bank of Ceylon and People's Bank). There are few number of research been conducted related to the performance management practices applied in banking sector. This research study carried out with the intended to fulfil the empirical gap in such research areas.

The study applied quantitative approach to investigate the research objectives. Primary data were collected from randomly selected sample of 237 employees in state banks (Bank of Ceylon and People's Bank) out of the study population, and data collected via structured questionnaire. Collected data were analyzed using descriptive analysis, correlation analysis and regression analyses.

The results of the study indicated that there is a strong positive relationship between training and development and employee performance and moderate positive relationship between performance appraisal and employee performance. And the study recommended that proper training and development program leads to improve the neatness of the employee works, timeliness of the work completion and employee motivation. And performance appraisal involving to improve the employee motivation for better performance and increase employee ability to perform in key areas in his / her career.

Key Words: Training & Development, Performance Appraisal, Employee Performance.

TABLE OF CONTENTS

ACKNOWLEDGEMENT	i
ABSTRACT	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	vii
LIST OF FIGURES	viii
Chapter - 1	1
Introduction	1
1.1 Background of Study.....	1
1.2 Research Problem/Research Gap	2
1.3 Research Questions	3
1.4 Research Objectives	3
1.5 Significance of the Study	3
1.6 Scope of the Study.....	3
1.7 Chapter Organization	4
1.8 Chapter Summary.....	4
Chapter - 2	5
Literature Review	5
2.1 Introduction	5
2.2 Define Concepts	5
2.2.1 Employee Job Performance	5
2.2.2 Performance Management Practices	7*
2.2.3 Performance Management Practices Used in State Bank in Sri Lanka	8
2.2.4 Impact of Training and Development on Employee Performance	11
2.2.5 Performance Appraisal on Employee Performance.....	12
2.3 Chapter Summary.....	14
Chapter - 3	15
Conceptualization and Operationalization	15
3.1 Introduction	15
3.2 Conceptualization Framework	15

3.3 Variables.....	16
3.3.1 Employee Performance.....	16
3.3.2 Training and Development.....	17
3.3.3 Performance Appraisal.....	17
3.4 Operationalization.....	18
3.5 Hypotheses.....	20
3.6 Chapter Summary.....	21
Chapter - 4.....	22
Research Methodology.....	22
4.1 Introduction.....	22
4.2 Research Philosophy.....	22
4.3 Research Approach.....	23
4.4 Research Strategy.....	23
4.5 Methodological Choice.....	24
4.6 Time Horizon.....	24
4.7 Research Site /Area Selection.....	24
4.8 Study Population of the Study.....	24
4.9 Sampling Technique/Method.....	25
4.10 Sampling Framework and Sample Size.....	25
4.10.1 Sample Size.....	25
4.10.2 Sample Selection.....	26
4.11 Method of Data Collection and Source.....	26
4.12 Research Instrument.....	26
4.13 Source of Measurement.....	27
4.13.1 Method of Measured of Personal Information.....	27
4.13.2 Method of Measuring on Research Information.....	27
4.14 Pilot Study.....	28
4.15 Validity and Reliability of Instruments.....	28
4.16 Results of Pilot Study.....	29
4.17 Unit of Data Analysis.....	29
4.18 Method of Data Analysis.....	30
4.19 Method of Data Evaluation.....	30
4.19.1 Univariate Analysis.....	30
4.19.2 Correlation Analysis.....	30

4.19.3 Regression Analysis	31
4.19.4 Thematic Analysis	32
4.20 Testing Hypothesis	32
4.21 Data Presentation.....	33
4.22 Ethical Consideration	33
4.23 Chapter Summary.....	34
Chapter - 5.....	35
Data Presentation and Analysis.....	35
5.1 Introduction	35
5.2 Reliability Analysis	35
5.3 Data Presentation.....	36
5.3.1 Data Presentation and Analysis of General Information	36
5.3.2 Data Presentation and Analysis of Research Information	38
5.4 Testing Hypothesis	48
5.4.1 Testing Hypothesis 1	48
5.4.2 Testing Hypothesis 2	48
5.5 Chapter Summary.....	49
Chapter - 6.....	50
Discussion.....	50
6.1 Introduction	50
6.2 Discussion of General Information	50
6.2.1 Gender	50
6.2.2 Age Group	51
6.2.3 Work Experience	51
6.3 Discussion of Research Information	51
6.3.1 Discussion for First Objective	51
6.3.2 Discussion for Second Objective.....	51
6.4 Discussion of Hypotheses	56
6.4.1 Testing Hypothesis 1	56
6.4.2 Testing Hypothesis 2	56
6.4.3 Chapter Summary	57
Chapter - 7.....	58
Conclusion and Recommendation	58

7.1 Introduction	58
7.2 Conclusion.....	58
7.2.1 First Objective	58
7.2.2 Second Objective	58
7.2.3 Third Objective	59
7.3 Contribution of the Study.....	59
7.4 Recommendation.....	59
7.5 Limitation of the study	60
7.6 Future Research Direction.....	61
List of References.....	62
Survey Questionnaire	70
Interview Questionnaire.....	74
SPSS OUTPUT.....	76