



# PERFORMANCE MANAGEMENT AND STRATEGIC PLANNING IN PRIVATE BANKING SECTOR: ISSUES AND FACTORS

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## Abstract

**Purpose:** The main aim of the study is to identify and explore issues and factors concerning to performance management and strategic planning.

**Methodology:** The existing study is primary and descriptive in nature. The sample size of the study is 155 employees working in private banks from Delhi/NCR. The responses from the employees obtained from structured questionnaire. The various statistical tools, namely, Reliability statistics, descriptive statistics, t test and ANOVA applied.

**Findings:** The majority of respondents are male having age of 30-35 years, having married status, having post-graduation qualification and earning Rs.25000 and above. Irrelevant job descriptions found to be the most important issue in performance management and strategic planning. Utilize a 360 Degree review system found to be the most important factor in performance management and strategic planning.

**Social Implications:** The existing study is beneficial to top level management personnel in identifying and exploring issues and factors related to performance management and strategic planning.

**Originality:** The existing study is confined to Delhi/NCR region only and further research can be elaborated by expanding more regions to explore issues and factors pertaining to performance management and strategic planning.

**Keywords:** AI, Performance Management, Strategic Planning, Banking, Issues

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## Introduction

Major internal and external challenges are currently being faced by businesses across all industries, but especially in the banking sector (Dhanabhakya & KP, 2023). These include fierce competition, rapid change, a

diverse customer base, renewable technology, social responsibility, and other factors. Administrators of financial institutions must, therefore, embrace novel techniques and tactics that boost strategic performance from all angles (financial,

customer, internal business process, learning and development) in order to remain competitive and face these difficulties (Jadaun & Kumar, 2019). When it comes to methods that boost an organization's productivity, strategic planning is among the most crucial (Abdul Rahman, 2019). Organizational success has been shown to increase in tandem with strategic planning efforts across the board (Ridwan & Marti, 2012). Long-term planning that takes into account both internal and external factors, identifying the intended clientele and the means by which the competition will operate, is what we mean when we talk about strategic planning (Ezionye & Agu, 2017). The first step in strategic planning is to conduct a study of the current internal and external environment, including a SWOT analysis. Next comes the development of a strategy, followed by its rollout and eventual assessment (Ridwan & Marti, 2012).

In the past, research has failed to provide a clear picture of how strategic planning might improve the strategic performance of Bahraini banks. Strategic planning has been studied extensively, although most research have focused on its correlation with predetermined outcomes like financial success, organisational performance, efficiency, and others (Ozturk & Coskun, 2014). This article aims to investigate the relationship between strategic planning and performance management on the one hand, and financial, customer, internal business process, and learning and development, on the other (Ozturk & Coskun, 2014).

### Review of literature

(Dhanabhakya & KP, 2023) purpose to analyse the connection between Buffalo area firms' strategic planning and their bottom lines. The results of the research demonstrated a correlation between SMMEs' strategic planning and

their financial outcomes. The financial results were shown to be positively correlated with the study's four stages of conceptualization, implementation, assessment, and control.

(Tang, Rasool, Sarmad, Ahmed, & Ahmed, 2022) want to analyse the connection between strategic planning and financial results for a sample of Buffalo-area firms. Strategic planning was shown to increase SMMEs' financial performance, according to the research. In particular, this research established a causal link between the four phases of the strategy development process (i.e., formulation, execution, assessment, and control) and financial success.

(Ajitha & Mohanapriya, 2020) a collection of enterprises in the Buffalo City Metropolitan Area with the goal of analysing the connection between strategic planning and financial success. Strategic planning was shown to increase SMMEs' financial performance, as was expected from the research. In particular, this research established a causal link between the four phases of the strategy development process (i.e., planning, execution, assessment, and management) and economic outcomes.

(Raj, Dinkar Rahangdale, & Yadav, 2020) objectives to analyse how commercial banks in Nigeria use strategic planning to improve their bottom line. There is a little positive relationship between total assets and taxable profit.

(Abdul Rahman, 2019) seeks to analyse how strategic planning affects academic institutions. They also consider how this impacts managerial performance. The findings show that strategic planning is positively associated with academic success. According to the results, strategic planning aids institutions in accomplishing their goals.

(Raj et al., 2020) has as its stated purpose the study of how strategic planning

affects academic success. They also consider the implications for managerial effectiveness and efficiency. There is a strong beneficial relationship between strategic planning and academic success, as shown by the findings. The research found that strategic planning helped the universities in their study achieve their goals.

(Suwaidi, 2018) Look at how strategic planning affected the bottom line. The research demonstrates a favourable and statistically significant connection between planning results and company performance, planning outcomes and strategic planning, and planning outcomes and firm performance. According to the results, companies may improve their performance via strategic planning.

#### Research Gap:

Analyze how the company would have fared if its leaders hadn't engaged in strategic planning. Specifically, the research demonstrates a favourable and statistically significant connection between strategic planning and company performance, strategic planning and planning results, and ultimately, planning outcomes and firm performance. The results show that a company's performance may improve as a result of strategic planning.

#### Objective of the study

- To explore issues concerning to performance management and strategic planning.

#### Result and discussion

**Table 1: Demographic Analysis**

Demographic Analysis			
		Frequency	Percent
Gender	Male	137	88.38
	Female	18	11.61
Age	Less than 18	23	14.83
	18-25	13	8.38

- To explore factors concerning to performance management and strategic planning.

#### Hypothesis of the study

- H01: There is no significant issues concerning to performance management and strategic planning.
- Ha1: There is significant issues concerning to performance management and strategic planning.
- H02: There is no significant factors concerning to performance management and strategic planning.
- Ha2: There is significant factors concerning to performance management and strategic planning.

#### Research Methodology

The primary aim of the study is to assess the performance management and strategic planning issues and factors in Delhi/NCR. The existing study is primary and descriptive in nature. The sample size of the study is 155 employees working in private banks from Delhi/NCR. The responses from the employees obtained from structured questionnaire. The various statistical tools, namely, Reliability statistics, descriptive statistics, t test and ANOVA applied.

	25-30	35	22.58
	30-35	47	30.32
	35 and above	37	23.87
Marital Status	Married	138	89.03
	Unmarried	17	10.96
Education Level	Matriculation	20	12.90
	Intermediate	16	10.32
	Graduation	35	22.58
	Post-Graduation	47	30.32
	Others	37	23.87
Income Level	Less than Rs. 15000	34	21.93
	Rs. 15000- Rs. 20000	46	29.67
	Rs. 20000- Rs. 25000	23	14.83
	Rs. 25000 and above	52	33.54

Table 1 depicted the analysis of demographic statistics and stated that majority of respondents are male having age

**Table 2: Reliability Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.651	6

Table 2 documented the reliability statistics of the study and documented that the

**Table 3: Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Competencies/Skills gaps	155	1	5	3.16	1.137
Irregular performance activities	155	1	5	4.41	.836
Lack of Objective Assessment	155	1	5	3.81	1.026
Irrelevant job descriptions	155	1	5	4.54	.647
Inadequate feedback	155	1	5	4.50	.668
Inadequacy of formal appraisal systems	155	1	5	4.03	.960
Valid N (listwise)	155				

of 30-35 years, having married status, having post-graduation qualification and earning Rs.25000 and above.

estimated value of Cronbach Alpha is .651 (N=6). Therefore, the internal consistency among the variable is present as estimated value is greater than .60 of acceptable threshold limit.

Table 3 analysed the descriptive statistics of the study and documented that “Irrelevant job descriptions” (Mean=4.54 and standard deviation=.647) found to be the most important issue in performance management and strategic planning followed by “inadequate feedback”

(Mean=4.50 and standard deviation=.668). “Competencies/skills gaps” (Mean=3.16 and standard deviation=1.137) found to be the least important issue concerning to performance management and strategic planning.

**Table 4: One-Sample Statistics**

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Competencies/Skills gaps	155	3.16	1.137	.091
Irregular performance activities	155	4.41	.836	.067
Lack of Objective Assessment	155	3.81	1.026	.082
Irrelevant job descriptions	155	4.54	.647	.052
Inadequate feedback	155	4.50	.668	.054
Inadequacy of formal appraisal systems	155	4.03	.960	.077

Table 4 analysed the one sample statistics of the study and documented that “Irrelevant job descriptions” (Mean=4.54 and standard deviation=.647 and standard error=.052) found to be the most important issue in performance management and strategic planning followed by “inadequate

feedback” (Mean=4.50 and standard deviation=.668 and standard error=.054). “Competencies/skills gaps” (Mean=3.16 and standard deviation=1.137 and standard error=.091) found to be the least important issue concerning to performance management and strategic planning.

**Table 5: One-Sample Test**

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Competencies/Skills gaps	34.626	154	.000	3.161	2.98	3.34
Irregular performance activities	65.735	154	.000	4.413	4.28	4.55
Lack of Objective Assessment	46.177	154	.000	3.806	3.64	3.97
Irrelevant job descriptions	87.214	154	.000	4.535	4.43	4.64
Inadequate feedback	83.911	154	.000	4.503	4.40	4.61

Inadequacy of formal appraisal systems	52.215	154	.000	4.026	3.87	4.18
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Table 5 analysed the t test statistics of the study and documented that “Irrelevant job descriptions” (t=87.214) found to be the most important issue in performance management and strategic planning

followed by “inadequate feedback” (t=83.911). “Competencies/skills gaps” (t=34.626) found to be the least important issue concerning to performance management and strategic planning.

**Table 6: ANOVA**

ANOVA						
		Sum of Squares	DF	Mean Square	F	Sig.
Competencies/Skills gaps	Between Groups	7.483	3	2.494	1.967	.000
	Within Groups	191.485	151	1.268		
	Total	198.968	154			
Irregular performance activities	Between Groups	2.020	3	.673	.963	.000
	Within Groups	105.554	151	.699		
	Total	107.574	154			
Lack of Objective Assessment	Between Groups	15.760	3	5.253	5.417	.001
	Within Groups	146.433	151	.970		
	Total	162.194	154			
Irrelevant job descriptions	Between Groups	4.496	3	1.499	3.768	.000
	Within Groups	60.059	151	.398		
	Total	64.555	154			
Inadequate feedback	Between Groups	15.254	3	5.085	14.352	.000
	Within Groups	53.495	151	.354		
	Total	68.748	154			
Inadequacy of formal appraisal systems	Between Groups	35.762	3	11.921	16.960	.000
	Within Groups	106.135	151	.703		
	Total	141.897	154			

Table 6 analysed the ANOVA analysis and documented the all the factors understudy, namely, Competencies/Skills gaps, Irregular performance activities, Lack of Objective Assessment, Irrelevant job descriptions, Inadequate feedback and Inadequacy of formal appraisal systems are significant as in all cases the significant value is less than .005. Therefore, all the issues concerning to

performance management and strategic planning are influential.

**Table 7: Reliability Statistics**

Reliability Statistics	
Cronbach's Alpha	N of Items
.585	5

Table 7 documented the reliability statistics of the study and documented that the estimated value of Cronbach Alpha is .585 (N=5). Therefore, the internal consistency

among the variable is present as estimated value is greater than .60 of acceptable threshold limit.

**Table 8: Descriptive Statistics**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Communicate the organization's goals and performance objectives	155	1	5	3.18	1.137
Offer performance feedback regularly	155	1	5	4.41	.836
Make use of performance management software	155	1	5	3.81	1.026
Utilize a 360 Degree review system	155	1	5	4.55	.647
Hold regular one-on-one meetings to review outcomes and results	155	1	5	4.52	.668
Valid N (listwise)	155				

Table 8 analysed the descriptive statistics of the study and documented that "Utilize a 360 Degree review system" (Mean=4.55 and standard deviation=.647) found to be the most important factor in performance management and strategic planning followed by "Hold regular one-on-one meetings to review outcomes and

results" (Mean=4.52 and standard deviation=.668). "Communicate the organization's goals and performance objectives" (Mean=3.18 and standard deviation=1.137) found to be the least important factor concerning to performance management and strategic planning.

**Table 9: One-Sample Statistics**

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Communicate the organization's goals and performance objectives	155	3.18	1.137	.091
Offer performance feedback regularly	155	4.41	.836	.067
Make use of performance management software	155	3.81	1.026	.082
Utilize a 360 Degree review system	155	4.55	.647	.052
Hold regular one-on-one meetings to review outcomes and results	155	4.52	.668	.054

Table 9 analysed the one sample statistics of the study and documented that “Utilize a 360 Degree review system” (Mean=4.55 and standard deviation=.647 and standard error=.052) found to be the most important factor in performance management and strategic planning followed by “Hold regular one-on-one meetings to review outcomes and results” (Mean=4.52 and

standard deviation=.668 and standard error=.054). “Communicate the organization’s goals and performance objectives” (Mean=3.18 and standard deviation=1.137 and standard error=.091) found to be the least important factor concerning to performance management and strategic planning.

**Table 10: One-Sample Test**

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Communicate the organization’s goals and performance objectives	42.667	154	.000	3.161	2.98	3.34
Offer performance feedback regularly	65.735	154	.000	4.413	4.28	4.55
Make use of performance management software	46.177	154	.000	3.806	3.64	3.97
Utilize a 360 Degree review system	90.233	154	.000	4.535	4.43	4.64
Hold regular one-on-one meetings to review outcomes and results	87.876	154	.000	4.503	4.40	4.61

Table 10 analysed the t test statistics of the study and documented that “Utilize a 360 Degree review system” (t=90.233) found to be the most important factor in performance management and strategic planning followed by “Hold regular one-on-one

meetings to review outcomes and results” (t=87.876). “Communicate the organization’s goals and performance objectives” (t=42.667) found to be the least important factor concerning to performance management and strategic planning.

**Table 11: ANOVA**

ANOVA						
		Sum of Squares	DF	Mean Square	F	Sig.
Communicate the organization’s goals and performance objectives	Between Groups	7.483	3	2.494	1.967	.000
	Within Groups	191.485	151	1.268		
	Total	198.968	154			
Offer performance feedback regularly	Between Groups	2.020	3	.673	.963	.000
	Within Groups	105.554	151	.699		



	Total	107.574	154			
Make use of performance management software	Between Groups	15.760	3	5.253	5.417	.001
	Within Groups	146.433	151	.970		
	Total	162.194	154			
Utilize a 360 Degree review system	Between Groups	15.254	3	5.085	14.35 2	.000
	Within Groups	53.495	151	.354		
	Total	68.748	154			
Hold regular one-on-one meetings to review outcomes and results	Between Groups	35.762	3	11.921	16.96 0	.000
	Within Groups	106.135	151	.703		
	Total	141.897	154			

Table 11 analysed the ANOVA analysis and documented the all the factors understudy, namely, Communicate the organization's goals and performance objectives, offer performance feedback regularly, make use of performance management software, utilize a 360 Degree review system, hold regular one-on-one meetings to review outcomes and results are significant as in all cases the significant value is less than .005. Therefore, all the factors concerning to performance management and strategic planning are influential.

#### Hypothesis Testing:

By applying descriptive statistics, t test and ANOVA analysis the findings of the study documented that the null hypothesis is rejected which is there is no significant issues concerning to performance management and strategic planning and there are no significant factors concerning to performance management and strategic planning and alternative hypothesis which is there is significant issues concerning to performance management and strategic planning and there are significant factors concerning to

performance management and strategic planning are accepted.

#### Conclusion:

The primary objective of the research is to identify and investigate problems and aspects that are related to strategic planning and performance management. The current research is a main one, and it takes a descriptive approach. 155 employees working in private banks throughout Delhi and the National Capital Region made up the study's sample size. The replies from the workers were acquired via the use of a standardised questionnaire. Several statistical methods, including analysis of variance (ANOVA), reliability statistics, descriptive statistics, and t tests, were used. The majority of respondents are men, and they have the following characteristics: they are between the ages of 30 and 35, are married, have at least a post-graduate degree, and earn more than 25,000 rupees a year. According to research conducted on performance management and strategic planning, irrelevant job descriptions were considered to be the most essential problem. Employ the use of a 360-degree review system, which has been identified as

the single most significant component of performance management and strategic planning. The current research is useful to top level management persons in identifying and examining problems and aspects linked to performance management and strategic planning. This is because top level management professionals are responsible for both of these topics. The current research is limited to the Delhi/National Capital Region (NCR) exclusively; however, more research might be expanded to include other regions in order to investigate challenges and aspects that are related to performance management and strategic planning.

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