

**The Impact of Effective Performance Management Practices on  
Employee Commitment and Quality of Customer Service in the  
Private Banking Sector of Pakistan**



**Submitted By:** Irum Naz (01-221102-040)

Maria Ahmed (01-221102-044)

**Supervised By:** Sir Anjum Qureshi

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## **Abstract**

Pakistan's banking industry is robust yet it faces the challenging task of sustaining growth and making profit in times of increased economic instability and stagnant growth. Banks need to make optimal use of the resources available to them in order to sustain competitive advantage. Pakistan's services industry is lagging quite behind its international counterparts with regard to quality of customer service provided. Being 'customer oriented' is a phrase commonly quoted yet rarely put to practice. In order to deliver good quality customers care it is necessary for banks to put in place effective performance management practices so employees become committed and motivated. Committed employees deliver good quality of customer service.

This study attempts to illustrate how banks can implement performance management practices in an effective manner in order to gain employee commitment and customer loyalty. A sample of 100 customers from various private banks of Islamabad was questioned regarding their level of satisfaction with level of service being provided to them. Also a sample of 60 employees from different banks was surveyed to seek their views about bank's performance

management systems and their level of satisfaction with their bank.

The findings reveal that customers desire more friendly and helpful staff, customized service and less wait in lines. Whereas employees desire non-monetary rewards in addition to traditional compensation, mutual consultation in goal setting, regular performance reviews and career growth opportunities. Recommendations and action plan are presented to guide banks on how to resolve these issues.

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## **Dedication**

Dedicated to Our Loving Parents

For

Their Love & Support who had been a Source

Of

Encouragement for Us at Every Stage.

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