



MANAGING EMPLOYEE PERFORMANCE APPRAISAL IN BANKING SECTOR

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Abstract:

Human resource managers have traditionally accorded employee performance as a prime focus. As a result, several performance appraisal techniques have been devised to help establish employee performance. In contemporary times, performance appraisals have been extended beyond rating the employee's performance to aspects such as motivation. Accordingly, this study sought to investigate the effectiveness of performance appraisal systems and their effect on employee motivation. The study's primary objectives pertained to establishing the moderating role of performance appraisal as a motivation tool and potential challenges. The study findings show significant positive outcomes when the organization uses performance appraisal as a motivation tool. Further, the study finds that more than one appraisal technique helps yield greater satisfaction and, consequently, higher motivational levels. The specific aspects of performance appraisal systems (PAS) that help improve motivation include linking performance to rewards, using the PAS to help set objectives and benchmarks, and using PA to help identify employees' strengths and weaknesses.

Key Words: Performance, Appraisal, Motivation, Employee.

Introduction:

Performance Appraisal is a formal system that evaluates a worker's performance quality. The appraisal measures skills and accomplishments with reasonable accuracy and uniformity. It provides a way to help identify performance enhancement areas and help promote professional growth. The employee is subjected to a periodic appraisal of their performance; an effective performance appraisal brings rationality to management. It is a continuous process where managers and employees work together to plan, monitor, and review an employee's work objective or goals or their overall contribution to the organization.

Objective of the Study:

- To identify the performance appraisal process
- To portray the outcome that influencing employee motivation
- To gauge the satisfaction of employees with the current appraisal process

Methodology:

The research design adopted for the study is Exploratory and Conclusive. A Questionnaire with set of 40 questions is designed to capture employees' raw data and responses. At many instances, the questionnaire was re-dictated to the HR department before approaching the individual employees in the sample group. Nearly 90 random employees in managerial positions were chosen as a sample for data collection in the study. Various statistical measures like the Percentage Method & Weighted Average Method have been used to analyze and interpret the collected data.

Area of Data Collection:

The area chosen for study in HDFC bank is the different bank branches in and around the city of Coimbatore, Tamil Nadu. Data was collected from the employees are selected at random as a sample from these locations.

Tools Involved:

Quantitative data obtained from the questionnaire responses were analyzed through the use of statistical packages, namely

- Simple Percentage Analysis
- Chi-Square test

Sampling:

The simple random sampling technique made it possible for respondents of varying ages, gender, experience, and other demographics to participate in the study. The reason for choosing this sampling technique is to achieve an unbiased, conclusive, and more representative outcome at the end of the study.

Type of Data Collection:

In line with the mixed methods research adopted in the current study, a questionnaire was used as the primary data collection instrument. The questionnaire was targeted toward HDFC Bank's employees. It was divided into different sections. The researcher (myself) posed several questions about the employees' demographic information. Closed-ended questions were used to determine the attitude and opinions on various

aspects of PAS (Performance Appraisal System) and employee motivation. On the other hand, informal discussions were held with the managerial level employees in the organization, especially in the front-end banking, investments, and branch level managers.

Simple Percentage Analysis:

Salary:

Less than 25000	25	28%
25000-50000	32	35.5%
50000-75000	19	21%
Above 75000	14	15.5%
Total	90	100%

Out of 90 employees under study, it is depicted that 32(35.5) employees salary is between 25000-50000, 25(28%) employees salary is less than 25000, 19(21%) employees salary is between 50000-75000 and 14(15.5%) employees salary is above 75000.

Work Satisfaction:

Extremely	52	58%
Moderately	38	42%
Total	90	100%

Out of 90 employees under study, it is depicted that 52(58%) employees are extremely satisfied with their work and 38(42%) employees are moderately satisfied.

Job Expectation Established before Performance Appraisal:

Frequently	19	21%
Sometimes	8	9%
Often	6	7%
Never	57	63%
Total	90	100%

Out of 90 employees under study, it is depicted that 57(63%) employees has no Job Expectation before Performance Appraisal, 19(21%) employee Frequently has Job Expectation before Performance Appraisal, 8(9%) employee sometimes has Job Expectation before Performance Appraisal and 6(7%) employee often has Job Expectation before Performance Appraisal.

Appraiser Morale is Common for Each Employee:

Always	75	83%
Sometimes	15	17%
Total	90	100%

Out of 90 employees under study, it is depicted that 75(83%) employees Appraiser moral is common and remaining 15(17%) employees Appraiser moral is sometimes common.

Conflict Arise Between Employees After Performance Appraisal:

Sometimes	19	21%
Never	71	79%
Total	90	100%

Out of 90 employees under study, it is depicted that 71(79%) employees has no Conflict between employees after Performance Appraisal and 19(21%) employees has some Conflict between employees after Performance Appraisal.

Satisfied Level of Appraisal Process:

Fully Satisfied	72	80%
Moderately Satisfied	18	20%
Total	90	100%

Out of 90 employees under study, it is depicted that 72(80%) employees Appraisal Process is fully satisfied and 18(20%) employees Appraisal Process is moderately satisfied.

Chi-square Test:

Appraiser Morale and Work Satisfaction:

Ha - There is an association between work satisfaction and appraiser morale

Ho - There is no association between work satisfaction and appraiser morale

	Work Satisfaction		Total
Appraiser Morale	75	52	127
	15	38	53
Total	90	90	180

Calculated value= 14.14

Level of significant = 0.05

Table Value = 3.84

Ha is True. There is an association between work satisfaction and appraiser moral

Salary and Job Expectation:

Ha - There is an association between salary and job expectation before (PA)

Ho - There is no association between salary and job expectation before (PA)

Various Parameters of Salary	Job Expectation		Total
	25	19	
	32	8	40
	19	6	25
	14	57	71
Total	90	90	180

Calculated value = 48 Level of significant = 0.05

Table Value = 7.81

Ha is True. There is an association between salary and job expectation before

Conflict Arise and Satisfaction Level:

Ha - There is an association between Conflict arise after (PA) and satisfaction level of appraisal process

Ho - There is no association between Conflict arise after (PA) and satisfaction level of appraisal process

Conflict Arise After (PA)	Satisfaction level(PA)		Total
	19	72	
	71	18	89
Total	90	90	180

Calculated value= 62.42 Level of significant = 0.05

Table value = 3.84

Ha is True. There is an association between Conflict arise after (PA) and satisfaction level of appraisal process

Findings:

- Out of 90 employees under study, it is depicted that 32(35.5) employees salary is between 25000-50000
- Out of 90 employees under study, it is depicted that 52(58%) employees are extremely satisfied with their work
- Out of 90 employees under study, it is depicted that 57(63%) employees has no Job Expectation before Performance Appraisal
- Out of 90 employees under study, it is depicted that 75(83%) employees Appraiser moral is common
- Out of 90 employees under study, it is depicted that 71(79%) employees has no Conflict between employees after Performance Appraisal
- Out of 90 employees under study, it is depicted that 72(80%) employees Appraisal Process is fully satisfied
- There is an association between work satisfaction and appraiser moral
- There is an association between salary and job expectation before
- There is an association between Conflict arise after (PA) and satisfaction level of appraisal process

Suggestions:

- Employee achievements should be periodically recognized and rewarded in a public forum. This in turn, boosts employee morale to work towards the appraisal
- The Business process should clearly specify to the employees that part records of performance appraisal play a significant role in fixing targets and responsibilities
- Working culture and environment in the Bank/office premises can be enhanced, which leads to better performance
- The appraisal system should be appropriately designed to identify employees' strengths and weaknesses easily
- Only a half of the employees taken as a sample are satisfied with the present appraisal system. So management should take the necessary steps to satisfy the remaining employees

Conclusion:

A performance appraisal system is a broader concept and has become part of a more strategic approach to HR practices. We can conclude that Performance appraisal is one of the essential tools for setting up goals, solving performance problems, and rating the employee's performance.

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