

Evaluation of Employees' Perception on Performance Appraisal System in Public Sector Banks at Chennai City

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Abstract: Performance Appraisal System is an important human resource development mechanism designed and utilized for the all-round development and growth of employees as well as organizations. Performance Appraisal System is being used to evaluate whether employees at various levels perform their assigned jobs as per the expectations of their supervisors and set standards. Different method can be used to determine and evaluate employee's performance. These methods have its own strengths and weakness may be suitable for appraisal. The main aim of the study is to know the employees perception towards performance appraisal system and evaluation process in public sector banks. Data were collected from 110 employees. The sampling method adopted is Convenience Sampling. Statistical tool used for the research study was ANOVA. It is concluded that development of technology result in the introduction of core banking, net banking and mobile banking system by public sector banks and also find out new system of appraisal of performance of employees and motivate them to work hard and improve their performance.

Key Words: Performance Appraisal, Public Sector Banks, Profitability, Evaluation, Perception

INTRODUCTION

Every organization success depends on the ability, quality and characteristics of its employees. The employees become a significant factor and they are the main resource of the company. Organizations not able to achieve their aims and objectives without efficient employees, so employees have to induce him so that he is forced to work at the best interest of the company. It is indicated that more strategic approach to HR policies which required attaching the aims of the individual. Organizations main aim is to become a fixed element of the process in the performance management and communicated through the performance appraisal process.

Performance Appraisal System is an important human resource development mechanism designed and utilized for the all-round development and growth of employees as well as organizations. Performance Appraisal System is being used to evaluate whether employees at various levels perform their assigned jobs as per the expectations of their supervisors and set standards.

The information generated from such performance appraisal programmer generally help the management to implement certain administrative and developmental decisional regarding selection, placement, promotion, rewards, training and termination.

Performance Appraisal System is a key in the hands of people to reflect upon their own competencies and perception related to their performance. It is the process enables building a resourceful organization capable of solving its problems and attaining targeted business goals.

Performance appraisal is the method adopted by every bank to know the level of performance of every employee in the branches. It helps Human Resource manager for pay increases, promotion of the employees. It is to assess the ability of employees of his task. It is a systematic evaluation done by the branch manager about the performance of each subordinate. Based on the performance levels of the employees organization has to motivate them and it is also origin for investigate and indication for personnel decisions in future. Different method can be used to determine and evaluate employee's performance. These methods have its own strengths and weakness may be suitable for appraisal. The main aim of the study is to know the employees perception towards performance appraisal system and evaluation process in public sector banks.

SCOPE OF THE STUDY

Performance appraisal indirectly has its impact on the bank employees' performance. Effective performance appraisal system helps banks to increase its profitability. Application of performance appraisal system increases the employees' cost and enhances its overall profitability. Hence there is a lot of scope for this research study and so far no such study has been undertaken in Public sector Banks.

OBJECTIVES OF THE STUDY

1. To find out the perception of employees towards the existing performance appraisal system at Public Sector Banks in Chennai city.
2. To identify the evaluation of performance appraisal in public sector banks.
3. To ascertain the relationship between demographic variables, perception on performance appraisal system in public sector banks.

METHODOLOGY

The study of performance appraisal system in public sector banks was mainly done to identify the employees' perception on performance appraisal and suggest solution for improvement. Both Primary and Secondary data have been collected. Primary data have been collected from the employees who were working in public sector banks. Structured Questionnaire was administered among the employees and collected data were tabulated and

analyzed. Data were collected from 120 employees. Out of the 120 responses 10 were rejected due to incomplete answers. Only 110 respondents have been taken for the analysis. The sample size was 110. The sampling method adopted is Convenience Sampling. Statistical tool used for the research study was ANOVA.

LIMITATION OF THE STUDY

Data is collected only from blue colored workers. The study is confined only to Public Sector Banks in Chennai city.

REVIEW OF LITERATURE

The following are the literature review developed through national and international articles. It helps to know the research gap of the study.

Pallavee Shrivastava, Usha Kiran Rai (2012) have concluded that existing performance appraisal system has to improve based on the changes in the future for evaluation of best employees and motivate them. **Shagufta Showkat (2013)** has suggested that 360 degree appraisal system that helps to assess the overall performance of the employees and reduce personal bias. **Tachee Kim and Marc Holzer (2016)** have concluded that personal decision helped to increase employee capacity through feedback training and also external motivation components and correlated to external rewards as promotion/pay increase. **Vijay Rao M. S, Shella Rani .S (2014)** have concluded that performance appraisal consider merit as the basis of reward, the employees having sufficient ability are considered for receiving promotion. **Lalita Rani, Naveen Kumar and Sushil Kumar (2014)** have concluded that most of the selected banks use 360 Degree Appraisal method. 720 degree appraisal method is not used by the selected private banks. It is also revealed that most of the respondents are happy with the current appraisal method. **Mobarak karim, Enamul Haque, Priyanka Das Dona, Moniuzzaman (2015)** concluded that the employees Performance of job is dependent on job promotions, training programs, flexibility to balance between work and home, career development opportunities. **Sameera Begum, Salika (2015)** have suggested that feedback system should be introduced in all the sectors of government and private, employees and management will get to know their actual performance. **Swapnil Moyal, Vijayalaxmi Iyengar (2016)** have concluded that performance appraisal is the great tools of measuring the level of performance of employees and is an important system which helps in providing better scope for employees' expression on their development needs. **Nava Rethan Bala Kumari .S, Rathina (2017)** have suggested that Banks should include personality traits in assessing the performance of their employees and also measured in modifying the performance appraisal system according to the present day. **Hardeep (2017)** has concluded that most of the employees are satisfied with the current appraisal process and approved that performance appraisal helps in humanizing performance, achieving organization goals, helps in rising motivation and satisfaction. **Shikla Agrawal and Meena R S (2020)** have examined the Indian banking system is going through a new era. IT in banking sector brings new opportunity and challenges for other factors which have influence over the performance of the banks.

DATA ANALYSIS AND INTERPRETATION

Table 1 ANOVA – Age of the Respondents and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Age	41.338	23	1.797	5.712	0.000
	27.062	86	0.315		
Total	68.4	109			

Source: Primary Data

From the table 1 it is observed that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that age factor had influenced the opinion for performance appraisal system in public sector banks.

Table 2 ANOVA – Educational Qualification of the Respondents and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Educational Qualification	17.41	23	0.757	4.057	0.000
	16.044	86	0.187		
Total	33.455	109			

Source: Primary Data

From the table 2 it is clear that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that Educational Qualification factor had influenced the opinion for performance appraisal system in public sector banks.

Table 3 ANOVA – Designation of the Respondents and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Designation	26.018	23	1.131	4.531	0.000
	21.473	86	0.25		
Total	47.491	109			

Source: Primary Data

From the table 3 it is showed that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that Designation factor had influenced the opinion for performance appraisal system in public sector banks.

Table 4 ANOVA – Income Level of the Respondents and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Income Level	25.982	23	1.13	3.829	0.000
	25.373	86	0.295		
Total	51.355	109			

Source: Primary Data

From the table 4 it is assessed that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that Income Level factor had influenced the opinion for performance appraisal system in public sector banks.

Table 5 ANOVA – Performance appraisal is regularly carried by the responsible manager or supervisor and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Performance appraisal is regularly carried by the responsible manager or supervisor	36.255	23	1.576	5.843	0.000
	23.2	86	0.27		
Total	59.455	109			

Source: Primary Data

From the above table 5, it is inferred that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that Performance evaluation is regularly carried by the responsible manager or supervisor factor had influenced the opinion for performance appraisal system in public sector banks.

Table 6 ANOVA – Methods of Performance appraisal and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Methods of Performance appraisal	32.643	23	1.419	5.462	0.000
	22.348	86	0.26		
Total	54.991	109			

Source: Primary Data

Table 6 it is indicated that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that method of performance appraisal factor had influenced the opinion for performance appraisal system in public sector banks.

Table 7 ANOVA – Performance appraisal is beneficial for whole organization and Performance Appraisal System

Personal factors	Sum of Squares	Df	Mean Square	F	Sig.
Performance appraisal is beneficial for whole organization	36.754	23	1.419	2.293	0.003
	59.937	86	0.26		
Total	96.691	109			

Source: Primary Data

From the table 7 it is ascertained that, with regard to the overall performance appraisal score, the value of the level of significance was less than 0.05 per cent level, and hence the null hypothesis was rejected. It is seen that performance appraisal is beneficial for whole organization factor had influenced the opinion for performance appraisal system in public sector banks.

FINDINGS

44% of the respondents are under the age group of 26-35 years, 65% of the respondents were male, 56% of the respondents' educational qualifications were Under Graduates, 47% of the respondents designation were Clerical, 65% of the respondents were single, 46% of the respondents income level are Rs.30000-Rs.50000.

It is seen that age factor had influenced the opinion for performance evaluation system in public sector banks. Educational Qualification factor had influenced the opinion for performance appraisal system in public sector banks. Designation factor had influenced the opinion for performance appraisal system in public sector banks. Income Level factor had influenced the opinion for performance appraisal system in public sector banks. Performance appraisal is regularly carried by the responsible manager or supervisor factor had influenced the opinion for performance appraisal system in public sector banks. Performance appraisal factor had influenced the opinion for performance appraisal system in public sector banks. Performance appraisal is beneficial for whole organization factor had influenced the opinion for performance appraisal system in public sector banks.

SUGGESTIONS

Performance evaluation is a technique of assessing the worth of employees with reference to his job requirement. It is suggested that steps can be taken to make all the workers to aware of their work. Management can take steps to improve the quality of work. Proper training can be given to the workers to advance the speed of work. Performance appraisal is the basis for increasing the skill and ability of the worker to enhance salary, management should take steps to involve all the workers in training. Free and fair performance appraisal system is followed. Management involvement in performance appraisal may be minimized. It is interesting to note that almost all the respondents were aware of appraisal made by the management.

CONCLUSION

The dynamic setting of business necessitate the performance appraisal should be a continuous process. Development of technology result in the introduction of core banking, net banking and mobile banking system by public sector banks and also find out new system of appraisal of performance of employees and motivate them to work hard and improve their performance. As things are ever-changing in the public sector banks, there is lot of scope for further study in the performance appraisal of Public sector banks.

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