



## Study on Performance Appraisal System of Employees With Special Reference To Selected Commercial Banks In Coimbatore City

DR. P. SUGANYA, M. Com., M.Phil., PGDCA., SET., Ph.D.

*Associate Professor and head*

*DEPARTMENT OF COMMERCE WITH COMPUTER APPLICATION*

*Dr. N.G.P. ARTS AND SCIENCE COLLEGE*

*DHARANIYA E*

*Dr. N.G.P. ARTS AND SCIENCE COLLEGE COIMBATORE*

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### ABSTRACT

The purpose of this study is to evaluate and contrast the performance appraisal systems that have been put in place by the different commercial banks in Coimbatore. The usefulness and efficiency of these systems in assessing worker performance, as well as their influence on worker satisfaction and organizational productivity, are examined in this research. The study aims to uncover best practices, obstacles, and opportunities for improvement in the performance appraisal procedures of particular banks using a mixed-method approach that includes surveys, interviews, and data analysis. The results of this study should give bank management important information about how to improve employee performance and their appraisal methods.

### I. INTRODUCTION

In India, one of the most sought-after career paths has traditionally been in the banking industry. Only in the presence of a strong and efficient banking system can a nation's economy expand. Thus, the Indian financial system must to be not just trouble-free but also capable to take on new tasks that technology and other internal or external variables present. Whether working in the public or commercial sectors, people are the most precious resources. All that is required is management of them. Only by periodically evaluating their performance will this be possible. The evaluation of each employee's work performance as the foundation for impartial hiring decisions is known as performance appraisal. Assigning, summarizing, and developing are steps in the performance appraisal process.

### 1.2 STATEMENT OF THE PROBLEM

The study's scope is concentrated on the Coimbatore city's specific banks' performance appraisal systems. This study gives feedback to staff members, fostering their professional and personal growth while enabling management to make effective decisions in the face of disadvantages. For the development of the staff. The study examines if employees receive reliable evaluations free from prejudice and assessment inaccuracy, as well as whether the appraisal's stated goal is met. It will highlight how crucial rater training is and whether or not raters connect performance objectives with company goals to complete successful performance reviews. Whether research on the variables affecting performance reviews in the banking industry is possible.

### 1.3 OBJECTIVES OF THE STUDY

- To know the socio-economic profile of the respondents.
- To know the employees expectations regarding the performance appraisal
- To identify the awareness and level of performance appraisal system in their bank
- To find out the factors affecting the performance appraisal of employees.

### 1.4 LIMITATIONS OF THE STUDY

- Employees of specific banks in the city of Coimbatore are the only ones included in the study.
- The study is only going to run from January through March.
- Only 150 respondents made up the sample size; the survey is solely based on respondent opinions.

### 1.5 RESEARCH METHODOLOGY

Research methodology is a systematic way to solve any research problem. It is a science of studying



how research is done scientifically. A research design is a plan, structure and strategy of investigation so done as to obtain answers to research questions and problems.

## 1.6 ANALYSIS AND INTERPRETATION

### 1.6.1 simple percentage analysis

Simple percentage method deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study.

The simple percentage can be calculated by using the formulae,

Percentage = No. of response / Total Number of Respondents \* 100

S.NO	VARIABLES	CATEGORIES	NO.OF.RESPONDENTS	PERCENTAGE
01	Gender	Male	64	42.7%
		Female	86	57.7%
02	Age	Below 25years	63	42.3%
		25 to 30years	38	25.5%
		3s Above 35years	34	22.8%
			15	9.4%
03	Educational qualification	Graduate	52	35.9%
		Post Graduate	53	36.6%
		Professional	45	27.5%
04	Marital status	Single	85	57.4%
		Married	65	42.6%
05	Accommodation	Rented House	70	46%
		Quarters	57	38%
		Own house	23	15%
06	Branch category	Rural	41	28.1%
		Urban	57	39%
		Semi urban	48	32.9%

07	Name of bank	HDFC Bank	62	40.9%
		ICIC Bank	45	30.3%
		Axis	43	28.9%
08	Number of experience	Less than 5years	66	44.3%
		5-10 years	33	22.1%
		10-15 years	30	20.1%
		Above15 years	21	13.5%
09	Salary Income	Below₹15000	46	31.1%
		₹15001-20000	32	21.6%
		₹20001-30000	36	24.3%
		₹Above 30000	36	23%
10	Frequency of formal appraisal	Once in 3 month	30	32.7%
		Once in 6 month	46	24.5%
		Once in a year	44	29.9%
		No fixed interval between two appraisal	30	12.9%



11	Performance appraisal	Immediate superior Committee appraisal Peer appraisal Self rating	44 50 32 24	29.8% 24% 21.9% 14.3%
12	Bank existing	Promotion Identification of training needs Employee development Employee counseling	36 43 41 30	24.5% 29.3% 27.9% 18.3%
13	Objective	Overview of tasks performed by each member of a group  Identification of sources for improvement Identification of traing and development needs Establishment of clear performance expectations	46 33 34 37	30.9% 23.5% 22.8% 22.8%
14	Appraisal done in bank	Appraiser uses a scale rating to appraise  Appraiser writes employee performance in essay form  Appraiser records exceptional behavior of employees performance  Appraising employee performance through 360-degree feedback	50 36 34 30	33.8% 24% 23% 18.9%
15	Performance criteria	Targets and goal achievement Teamwork Leadership skills Problems solving-abilities	62 26 26 38	42.8% 17.9% 18.6% 20.7%
16	Factor	Leadership skills Positive attitude to work Motivation Future training in their area of work Clean definition of duties Strict supervision	29 34 33 24 30	19% 23% 22% 16% 18%

(SOURCE: primary data)

### INTERPRETATION

The above table shows that Majority (57.7%) of the respondent's gender is Female. Mostly (42.3%) of the respondent's s are below 25years of age. Mostly (36.6%) of the respondent' s are post graduate of educational qualification. Majority (57.4%) of the respondent's

single of marital status. Majority (57.9%) of the respondent's rented house of accommodation. Mostly (39%) of the respondent's urban of Branch category. Mostly (40.9%) of the respondent's HDFC of name of the bank. Mostly (44.3%) of the respondent's less than 5years of experience. Mostly (31.1%) of the respondent's



below 15000 salary per month. Mostly (32.7%) of the respondent's once in 3month in normal frequency of the formal appraisal in your bank. Mostly (34%) of the respondent's immediate superior of conducts th performance appraisal. Mostly(29.3%) of the respondent's identification of training needs for bank appraisal system. Mostly(30.9%) of the respondent's Overview of tasks performed by each member of a group are achieved. Mostly (33.8%) of the respondent' s to Appraiser uses a rating scale to appraise is done appraisal. Mostly (42.8%) of the respondent's in Targets and goal achievement are considered during performance appraisal. Mostly (23%) of the of the respondent's in motivation are helps to improve performance appraisal.

### 1.6.2 chi-square:

The Chi Square test is a Statistical test used to compare observed result with expected result. The purpose of this test is to Determine if a difference between observed data and Expected data is due to change, or if it is due to relationship two variable. The chi square was used to compare the variable of their job opinion like Working environment, Salary, Able to balance the regular life, Incentives, Satisfaction of their work, medical support, etc.

$$X^2 = \sum(O_i - E_i)^2 / E_i$$

O<sub>i</sub> = Observed value

E<sub>i</sub> = expected value

### CHI-SQUARE ANALYSIS BETWEEN AGE AND THE PERFORMANCE APPRAISAL POLICY

S.NO	THE PERFORMANCE APPRAISAL POLICY	CALCULATED VALUE	TABLE VALUE	DF	S/NS
1	Performance appraisal is fairly and honestly done in this bank.	0.188a	16.051	16	NS
2	Performance appraisal policy provide essential feedback about the employees	0.002	30.750	16	S
3	Performance appraisal strengthens the relationship between the employee and the Superior.	0.001	32.077	16	S
4	Performance Appraisal policy motivate employees to improve their performance.	0.203a	15.728	16	NS
5	Employees discuss their performance problem during performance appraisal	0.009	24.180	16	S

S\*Significant at 5% level; NS-Not Significant at 5% level

#### NULL HYPOTHESIS (H<sub>0</sub>):

There is no significant relationship between Age and the performance appraisal policy.

#### INTERFACE

Table no. 4.20 indicates that, the p-value is greater than 0.05 and the result is not significant at 5% level. Hence, the null hypothesis (H<sub>0</sub>) has been accepted and the alternative hypothesis (H<sub>1</sub>) is rejected in all the performance appraisal policy. Form the analysis it has been concluded that there is no significant association between age and the performance appraisal policy for Performance appraisal is fairly and honestly done in this bank, Performance Appraisal policy motivate employees

to improve their performance. But the about age is highly related the performance appraisal policy Performance appraisal policy provide essential feedback about the employees, Performance appraisal strengthens the relationship between the employee and the Superior, Employees discuss their performance problem during performance appraisal.

### 1.6.3 WEIGHTED AVERAGE WITH RANKING'



Weighted average may be defined as the average whose component items are being divided by the total sum of their 'Weight' instead of the sum of the items.

$$XW = \frac{\sum WX}{\sum W}$$

XW Represents the weighted arithmetic mean

X Represents the variables

W Represents the weight attracted to the variable x

### Weighted Arithmetic Mean

**THE TABLE SHOWING FACTOR INFLUENCING THE PERFORMANCE APPRAISAL SYSTEM OF THE RESPONDENT**  
(SOURCE: Primary data)

FACTORS	NO OF RESPONDENT					TOTAL	WEIGHTED SCORE	RANK
	SA	A	N	DA	SDA			
Performance feedback	104(5) 520	33(4) 132	5(3) 15	2(2) 4	5(1) 5	676	45	I
Attitude of the employees	46(5) 230	67(4) 268	26(3) 78	2(2) 4	4(1) 4	584	38.9	II
motivation	23(5) 115	66(4) 264	39(3) 117	8(2) 16	10(1) 10	522	34.8	III
Organizational skill	20(5) 100	54(4) 216	43(3) 129	14(2) 28	16(1) 16	489	32.6	IV
Design	26(5) 130	38(4) 152	43(3) 129	8(2) 16	30(1) 30	457	30.4	V
Linking rewards	19(5) 95	46(4) 184	41(3) 123	11(2) 22	29(1) 29	453	30.2	VI
Biased manager	20(5) 100	36(4) 144	47(3) 141	12(2) 24	31(1) 31	440	29.3	VII

### INTERPRETATION

From the table various factors of influencing the performance appraisal system of performance feedback is the ranks first with the weighted average of 45, Attitude of employees is the ranks second with the weighted average of 38.9, Motivation is the ranks third with the weighted average of 34.8, Organizational skill is the ranks fourth with the weighted average of 32.6, design is the ranks fifth with the weighted average of 30.4, Linking rewards is the ranks sixth weighted average of 30.2, Biased manager is the ranks seventh with the weighted average of 29.3.

### INFERENCE

It concluded the factors of influencing the performance appraisal system of performance Feedback is the ranks first with the weighted average of 45, Attitude of employees is the ranks second with the weighted average of 38.9, Motivation is the ranks third with the weighted average of 34.8

## II. FINDINGS

- Majority (57.7%) of the respondent's gender is Female.

- Mostly (42.3%) of the respondent's s are below 25years of age.
- Mostly (36.6%) of the respondent' s are post graduate of educational qualification.
- Majority (57.4%) of the respondent's single of marital status.
- Majority (57.9%) of the respondent's rented house of accommodation.
- Mostly (39%) of the respondent's urban of Branch category.
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- Mostly(30.9%) of the respondent's Overview of tasks performed by each member of a group are achieved.
- Mostly (33.8%) of the respondent's to Appraiser uses a rating scale to appraise is done appraisal.
- Mostly (42.8%) of the respondent's in Targets and goal achievement are considered during performance appraisal.
- Mostly (23%) of the of the respondent's in motivation are helps to improve performance appraisal.

### 5.2 SUGGESTIONS

- The performance appraisal system is very important to the organization to develop employees to achieve their goals.
- Every organization or banking sectors should arrange the apisal to evaluate the employee's level. Findings show that only half of the employees aisfied with existing performance appraisal system in bank.
- It is necessary to the superiors now the reason for not satisfied with existing performance appraisal. So, appraiser scoot have well knowledge about area of the work and clearly explain to the employees about their area of work.
- The appraiser should maintain the records of employees of their performance and rewards should be given to the employees. The bank should give counseling to the workers to improve their self-confidence.
- The employee's performance should be appraised once in 6 months. Some of the employees optioned that they are not allowed to share their feedback during appraisal.
- The responsible superior should allow employees to share their feedback during appraisal to know their opinion and should give proper decisions.
- The proper training must be arranged to the appraiser to appraise the employees. From findings it comes to know the employees are not interested attending or participating in performance appraisal system.
- The sector has to identify the reason and should give proper taining to them to make involve in the activities regularly

### 5.3 CONCLUSION

In the poses competitive world, the banking sectors spocially our country Saving for t irugh competition. All these lave made the books te

fies that the employun ve mere smportant achieve their targets. Mainly privals banking sectors providing more buoden in their employees to achieve their targets. Employoc's paformance appraisal is impurtunt in the curry ap growing industry to achieve their goods. If the perfontance of empinyons n apen creaned at the same time the quality of banking secties or ocgressatice is unproved. Hors this arvey reveals that the most of the spoultis we sansind with the performance appexiss method. There are many appraisal methods to be used to evaluate the employee's performance Performance appraisal used to identify the past performance and provides a chance to reflect œ past performance of the bank employees.

Performance appraisal is the essential pillar of performance management in the bunk be keep up the enthusiasm of the implycos high.

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