ABSTRACT

Performance Appraisal is one of the most significant tool of HR Practices followed in the banking industry. It not only casts & shapes the career of the employee, but also, helps him to recognize & analyze his hidden core potential. It provides the platform to the employee to understand the key areas of improvement. Organisation, through the application of various performance appraisal techniques, is able to identify the performer & non performer. Initiatives are taken to enhance the performance of the employee & steps are also taken to convert the non performer to a performer. This is done through the various methods of Performance Appraisal. Appraisal system of the banking industry is highly influenced by the number of factors like initiative for Performance Improvement, Rewards, Culture, Job Satisfaction, Retention, etc. All these factors have been taken for the study purpose. This study is an attempt to examine the perception of the managers & the executives about the Performance Appraisal, how the various factors are related & to what extent Performance Appraisal has its impact on these underlined factors.

The study is done in the major four banks of Jaipur city, where the sampling unit for study are the managers & executives working in any branch/department of the bank. A data of 431 respondents have been collected through a structured closed ended questionnaire on 5 point Likert scale, to know the level of agreement from strongly agree to strongly disagree. Non Probability Convenience sampling technique has been used. Descriptive Research Design has been used for the research.

Cronbach’s alpha test of reliability was used to test the internal item consistency of the questionnaire, where the value for each part of the construct came more than 8.50, which shows that the questionnaire is acceptable and reliable. Content validity is used to check whether the questionnaire measures what it purports to measure.

Further, Statistical Package for Social Sciences (SPSS) has been used to obtain the results. Pearson Product-Moment Correlation Coefficient has been used to
study the correlation between Performance Appraisal of the banks with Performance Improvement, Rewards, Culture, Job Satisfaction and Retention, where the statistical value for all the factors is more than 0.9 & it is significant at .000, showing that all the factors are highly correlated with Performance Appraisal. Even while generalizing the sample result through One Sample t-test, on Performance Improvement, Rewards, Culture, Job Satisfaction and Retention and it is significant at 0.000 revealing that the sample result is true for the population. Even using Simple Linear Regression method, the calculated statistical value comes out to be more than .9 for Performance Improvement, Rewards, Culture, Job Satisfaction and Retention & it is significant at .000, which reveals that Performance Appraisal has its impact on all the factors taken for the study.

ANOVA statistics reveals the perception of the respondents when Qualification, Gender & Designation are taken as the factors for study. The results obtained reveals that Qualification & Designation are significant at .000, & for Gender it is not significant at .000, which means that there is a difference in perception of the respondents based on Qualification & Designation & there is no difference in the perception of the respondents based on Gender for Performance Appraisal.

The findings reveal that if biasedness in appraisal system of the banks is reduced then there would be improvement in the employee performance & better relationship between the superior – subordinate can be seen. Also, reward system, culture, job satisfaction & retention affect the performance of the employees, hence banks should take initiatives to improve them. The findings also reveal in ascertaining the perception of the respondents differ for different factors. This would help in the banks to improve its appraisal system.

It is suggested that with the improved performance appraisal system, the overall performance of the employees can be enhanced which would increase their job satisfaction & retention. Moreover, the rewards systems should be according to the performance. More strong culture is needed to enhance the performance of the employee. Decision making, suggestions, interpersonal relations, conflicts and
grievance redressal should be exercised to make bank culture more congenial to work.

Researcher also suggests that further studies can be carried on other service sectors like: hotels & hospitality, healthcare, educational institutes, etc. Research can be conducted on other dimensions like training, internal-external mobility, grievances, etc. Better appraisal system is a vital source for efficient employee & increase productivity for every system.