

A STUDY ON HOW APPRAISERS' SKILLS AND CAPABILITIES AFFECTS THE JOB SATISFACTION OF PRIVATE BANK EMPLOYEES.

Dr.H.Ajitha,

Assistant Professor, BBA Department,
St.Albert's college, Ernakulam. India.

Abstract:

Banks play a crucial role in shaping the economic structure of a country. The purpose of the study is to investigate the effect that the varied skills and capabilities of the appraiser has on job satisfaction of employees in private banks in Coimbatore city. The study targeted on 300 employees of private banks. Simple random sampling was used to collect data from employees using questionnaire. The study was descriptive in nature and used t-test and percentage analysis for statistical analysis. The results indicated that there was a positive and significant relationship between capabilities of appraisers and the job satisfaction of employees. It was also found that for the success of performance appraisal system in banks adequate training has to be given to the rater.

Keywords: Performance appraisal, Job satisfaction, Private sector banks.

1. Introduction:

Banking sector plays a key role in shaping the economic structure of a nation. Indian banking sector has undergone tremendous changes in past few decades. The growth of private banks in Coimbatore city in the last few decades is tremendous. The role of performance appraisal in banking sector has been becoming crucial for their growth. Performance appraisal is a leading and powerful HRM tool which has the capacity to shape the success of any organization. It is a bridge that links the individual performance and organizational performance. Job satisfaction of employees is the ultimate key for the success of any organization. The lack of evaluation in any organization can even hinder the communication between the employees and the employer. One of the common deficiencies in performance appraisal system in many organizations including banks is the fact that the evaluators seldom receive training on how to conduct effective appraisal, which may affect the satisfaction of employees with the appraisal system in a negative way. The study aims to find out the impact that the capabilities and skills of the performance appraisal rater has on job satisfaction of employees in private sector banks in Coimbatore city. Three hundred respondents were selected for the study from various private sector banks in Coimbatore city.

Problem statement:

Rating an employee's performance in a job is a very difficult task, particularly with complex jobs or performance criteria. Banks invest a lot of their resources for effective performance appraisal system, but some of them fail to concentrate on the training of appraisers. Untrained raters are one of the leading reasons for the failure of appraisal system which can lead to job dissatisfaction of employees. Lack of adequate training for rater leads to rating error, which affects the very purpose of implementing performance appraisal system in the organization. The factors included for rating plays a

vital role in shaping the employee satisfaction with the appraisal system. The rater should have the skills to accurately select the factors for appraising the employee.

The rater's ability to fairly rate the performance of employees will enhance the morale and job satisfaction of employees. Handling employee's grievances and consequences of performance appraisal results depends on the capabilities and skills of the rater. Hence a capable rater trained with the required technical and interpersonal skills will help to increase the trust and confidence of employees with the appraisal system and also helps to overcome the employees' resistance and dissatisfaction with the system. Mc Givern, G & Ferlie, E. (2007) has stated that if the appraisee does not trust the employer or the rater or have confidence in the process, it may become a "tick box".

2. Review of Literature:

Shagufta Showkat (2013), has done a research on "Performance Appraisal in Banking Organization", in which the author provides a brief review of performance appraisal practices followed in the organization with reference to two banking organizations of India viz., SBI and J&K Bank by applying some of the strands of critical thinking to performance appraisal system. The finding of the study emphasizes that the performance appraisal system should be HRD oriented and can be used as an instrument for building good relationship with employees, planning employee performance and discovering employee potential and improving organizational effectiveness, besides being used as an administrative and developmental tool.

According to Gary Roberts and Michael Pregitzer (2007), there are many reasons for employees disliking the performance appraisal system. To increase the level of satisfaction of employees with their performance appraisal system, it is important to rate them in objective criteria and avoid non performance factors in appraisal. When appraisers don't practice and follow what is advocated in the organization that can lead to distrust among the employees. Employees who are on the receiving end wish to get specific and timely feedback from the appraisers. Appraisers when not trained properly can pave way for poor communication during performance appraisal feedback, which will affect the morale of the employees. Lack of rater training leads to rater error where rater do not give accurate rating to the employees.

According to Muhammad Faseeh Ullah Khan (2013), one of the best practices in performance appraisal is ensuring that the appraisers have adequate knowledge, skills and direct experience of employee's performance. Developing performance appraisal criteria in consultation with both appraiser and the employees will help to increase the satisfaction level of employees with the appraisal system, which ultimately effects their job satisfaction in a positive way.

In a survey conducted by Longenecker (1997) on 120 managers in five large organisations in the United States, it was revealed that one of the main reasons why performance appraisals failed was mainly because of the fact that the raters did not possess the required skills and motivation to conduct the appraisal.

Korsgaard and Roberson (1995), has pointed out in their study that the rater should value the ratee and treat them with full dignity and fairness thereby creating an environment of trust. The absence of such trust will make the ratees dissatisfied with the performance appraisal system, making the whole process of such system ineffective. Feedback and communication is one the vital steps in performance appraisal system where the appraisers provide effective feedback creating an environment of two way communication (Cook and Crossman, 2004).

Objective of the study:

The objective of the study is to identify the impact that the appraisal rater's skills and capabilities has on the job satisfaction of employees in private banks in Coimbatore city. The study also aims to find the importance that the capabilities of the rater has in influencing the job satisfaction level of employees.

Hypothesis:

A research hypothesis is the statement created to consider the outcome of a research or experiment.

H₀ : There is no significant difference in the job satisfaction level of the respondents based on skills and capabilities of their appraiser.

3. Research Design

The study used descriptive research design which is a popular method concerned with describing the characteristics of a particular individual or a group. The study were a descriptive study aimed at gaining an in depth understanding and measuring the impact that performance appraisal raters capability has on job satisfaction of employees in private sector banks in Coimbatore city. The researcher identified the respondents using Simple Random sampling. The study was conducted on 300 employees of private sector banks in Coimbatore city. Data was collected using structured questionnaire. Percentage analysis and t-test was used for statistical analysis.

4. Results and Discussions:

The primary data collected was analyzed to find out the effect that the skills and capabilities of the appraisers have on job satisfaction of employees.

Percentage Analysis

Table No.1: Satisfaction with capabilities of the appraisers

S.No	Particulars	Options	No. of respondents	Percentage
1.	Satisfied with skills and capabilities of rater	Yes	100	33
		No	200	67
		Total	300	100
2.	Rater training is essential element of PAS	Yes	280	93
		No	20	7
		Total	300	100

The study result shows that more than 60% of the respondents were not satisfied with the skills and capabilities of the rater. Imundo(1980) in his study has stated that most supervisors have little training on how to assess employees' performance properly thereby affecting their satisfaction with the appraisal system. The study also shows that majority of the respondents feel that rater training is an essential element of PAS and the rater has to acquire adequate and effective training for a success of the performance appraisal system. According to Hellriegel et al. (2002), effective training helps the rater to accurately rate and handle the consequence associated with negative feedback given to the employees.

t-Test

Table.2: Job satisfaction of employees affected by capabilities of the appraisers

Factor	Values	No. of respondents	Mean	SD	T	Sig.
Capabilities Of Appraiser	Low	187	108.107	7.527	6.123	0.00(*)
	High	113	101.637	10.730		

To find out the job satisfaction scores of the respondents based on the capability of the appraiser in the organization, t-Test was carried out. The proposed null hypothesis was as follows:

H₀ : There is no significant difference in the job satisfaction level of the respondents based on skills and capabilities of the appraiser.

The above table shows that the P value (0.000) is lesser than 0.05. Hence the null hypothesis is rejected. This shows that there is significant difference among the job satisfaction of the employees based on the capabilities of the appraiser. Thus the job satisfaction level of the employee also depends on the skills and capabilities of the appraisers in the organization. According to Duncan (1983) raters should be trained to understand and use the appraisal system so as to maximize its positive aspects, which will help to increase the job satisfaction level of employees.

Findings:

From the above study it was found that most of the respondents were not satisfied with the skills and capabilities of their appraisers while majority of them accept the fact that effective training for the rater is an essential part of performance appraisal system. It was also found from the study that the capability of respondents affects job satisfaction of the employees of private banks.

Suggestion:

Job satisfaction of employees is essential key for the success of any organization. Hence in order to affect the job satisfaction level of employees in a positive way, the management of these banks must take efforts to select the right person with adequate technical, organizational and interpersonal skills as the rater. The management of these banks must also invest adequate time and other resources to impart required additional skills and capabilities by providing effective training to these appraisers before the appraisal process starts. The training for the appraisers should be continuous and ongoing process for the effectiveness and success of performance appraisal which influences job satisfaction of those employees in a positive way.

Conclusion:

The main purpose of this study was to find out if the skills and capabilities of the appraiser had any affect on the job satisfaction of employees in private banks. The obtained result shows that the skills and capabilities of the appraiser impact the job satisfaction level of these private bank employees. Trained appraisers are common deficiency in the appraisal system in many organizations. In order to attain the very purpose of the appraisal system in these private banks, it is utmost important to select capable and efficient appraisers and provide ongoing and continuous training to them to ensure accuracy and consistency. To redress the problems and consequence of performance appraisal results, skilled and capable appraisers are essential in the system of performance appraisal. Hence the trained and capable appraisers play a key role to enhance the trust of employees in performance

appraisal system, which helps them to increase the satisfaction with their job. An effective performance appraisal system with efficient and skilled appraisers is the need of the hour to meet the growing competition in the global market.

References:

1. Cook, J. and Crossman, A. 2004. Satisfaction with performance appraisal systems. *Journal of Managerial Psychology*, 19(5): 526-541.
2. Duncan, W.J. 1983. *Management*. New York: Random House.
3. Gary Roberts & Michael Pregitzer 2017. Why employees dislike performance appraisal. *Regent Global Business Review*,14-21.
4. Gerry McGivern and Ewan Ferlie 2007. Playing tick-box games: Interrelating defences in professional appraisal. *Sage journals*, 60(9): 1361-1385.
5. Hellriegel, D., Jackson, S. E. and Slocum, J. W. 2002. *Management: A competency based approach*. Cincinnati, OH: South-Western.
6. Imundo, Louis V. 1980. *The effective supervisor's handbook*. New York, AMACOM. 239.
7. Korsgaard, M. A. and Roberson, L. 1995. Procedural justice in performance evaluation: The role of instrumental and non-instrumental voice in performance appraisal discussions. *Journal of Management*, 21:657-669.
8. Longenecker, C. 1997. Why managerial performance appraisals are ineffective: causes and lessons. *Career Development International*, 2(50): 212-218.
9. Muhammad Faseeh ullah khan 2013. Role of Performance Appraisal System on Employees Motivation. *Journal of Business and Management*, 8 (4): 66-83.
10. Shagufta Showkat 2013. Performance appraisal in banking organizations. *Journal of Arts, Science & Commerce*, IV(3(1)).