



IMPACT OF PERFORMANCE APPRAISAL ON JOB SATISFACTION IN BANKING INDUSTRY WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

Dr.J.MarySaranya¹, Dr.M.Vidya²

¹ Assistant Professor, Management Science, Sri Krishna Arts and Science College, Coimbatore, India

² Assistant Professor, Management Science, Sri Krishna Arts and Science College, Coimbatore, India

Abstract: In Human resource management, performance appraisal is arguably the most contentious and least popular among those who are involved. Managers do not appear to like doing it, personnel and human resource managers as guardians of the organization's appraisal policy and procedures have to stand by and watch their work fall into disrepute. Also the Study found that 50% of the banks carry out the appraisal once annually. The key factor considered while conducting appraisal was level of performance and it was found that banks use a combination of appraisal technique without over reliance on one single technique. The study established that appraisal influences motivation to a small extent and employee working relationship to a moderate extent. Appraisal was also found to have influence on Voluntary overtime to a moderate extent. The study also revealed the performance appraisal directly influences employee happiness and subsequently job satisfaction. It was recommended that employers involve employees as much as possible and at every stages of the appraisal process so that the outcome of appraisal contributes to job satisfaction.

Key words – Performance Appraisal, Job Satisfaction

Introduction

The primary development goal for any country is to achieve broad based, sustainable improvement in the standards of the quality of life for its citizens. The financial service industry and in particular commercial banks play an indispensable role in the effective delivery of services that are key to the functioning of a state economy, when the delivery of services is constrained or becomes ineffective, it affects the quality of life of the people and the nation's development process.

Need for the study

Banks will benefit from the study by understanding how their appraisal practices affect satisfaction of employees at the place of work.

The workers will benefit by giving their views, which may be incorporated by banks in future appraisals.

Objectives of the study

➤ To establish the relationship between performance appraisal practices and job satisfaction of employees of commercial banks in Coimbatore City

➤ To determine the factors influencing Job Satisfaction at Workplace

Limitations of the study

- The geographical area of this study is confined to particular industry only.
- The study period is said to be explicit and may not be applicable to any other period.
- The study is merely based on the Primary and Secondary data.
- The availability of information and data is limited by the time and cost factors.

Review of Literature

- **Cardy and Dobbins (2013)** define performance appraisal as the process of identifying, observing, measuring and developing human resources in organizations. Performance appraisal is an important process for influencing both extrinsic and intrinsic motivations of employees and their attitudes towards companies, that is, increasing employees' perceptions and understanding of job tasks and subsequently their job satisfaction.
- **Poon (2017)** found that performance ratings are often manipulated for political purposes. It further revealed that manipulations of ratings for motivational purposes, however, had no effect on job satisfaction and turnover intention and intention to quit

Research Methodology

Haphazard execution of the study will end up itself in chaotic results, so to evade such happenings; the scholar is also required to plan well before he can start his work. The researcher is required to prepare a system operating procedure of action which is known as research design.

It ensures that

- (1) the study will be germane to the problem and
- (2) the study will employ economical procedures

Descriptive research design

The descriptive research is secondhand for this study. The main objective of consuming descriptive research is to pronounce the state of affairs as it exists at present. It mainly involves surveys and fact verdict inquiries of different classes.

Statistical Tools and Techniques

The collected data were edited and then consolidated by using simple statistical tools. The simple statistical tools are employed for the analyses of data are,

- Percentage analysis
- Chi-square test
- One Way Anova

Data analysis

Table: 1**Age group of the Respondents**

S.No	Age Group	Frequency	Percentage
1	Below 30	73	73.0
2	31 to 40	12	12.0
3	41 to 50	6	6.0
4	Above 50	9	9.0
	Total	100	100

Inference

The table portrays the distribution of the respondents based on their age group. This says that 73% are below 30, 12% are 31 to 40, 6% are 41 to 50 and 9% are above 50.

Chi-Square Test

Null hypothesis (H₀): There is association between employee being flexible at workplace and the department of the employee

Alternate hypothesis (H₁): There is no association between employee being flexible at workplace and the department of the employee

	Value	Df	Asymp.Sig. (2-sided)
Pearson Chi-Square	1.456E2 ^a	6	.000
Likelihood Ratio	166.392	6	.000
Linear-by-Linear Association	92.194	1	.000
N of Valid Cases	120		

Interpretation

In the table it is clear that Null Hypothesis is rejected and Alternative Hypothesis is accepted. Hence there is no association between employee being flexible at workplace and the department of the employee

ANOVA**RELATIONSHIP BETWEEN THE PERFORMANCE APPRAISAL AND EMPLOYEE BEING FLEXIBLE AT WORK PLACE**

Null hypothesis (H₀): There is no significant association between the performance appraisal techniques and Employee being Flexible at Work Place

Alternate hypothesis (H₁): There is no significant association between the performance appraisal techniques and Employee being Flexible at Work Place

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	214.609	4	71.536	6.355	0.06
Within Groups	76.858	16	.525		.
Total	274.467	19			

In the table the significant value is 0.06 which is greater than 0.05. So null hypothesis is accepted and alternate hypothesis is rejected at 95% confidence level. Hence, it is concluded that there is significant association between performance appraisal techniques and Employee being Flexible at Work Place.

Findings

- 9% of the respondents work under Human Resource Department ,24% of the respondents work under Marketing Department ,12% of the respondents work under Administration Department ,48% of the respondents work under Frontline Department and 10% of the respondents work under Other Department
- There is significant association between performance appraisal techniques and Employee being Flexible at Work Place

Suggestions

- Banking industry should follow different performance appraisal system.
- It must degrade the old traditional method and adopt new method.
- Employees should be treated as assets.

Conclusion

I would like to conclude that banking industry should change their performance appraisal techniques to make the employees feel good and better at work place. The performance appraisal has influence on various factors in the organization. The work effectiveness and efficiency depends on a good performance appraisal system. As the HR is moving towards different trends in the organisation, Banking Industry should follow different and modern techniques.

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